FINANCIAL TIMES

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No. 29,600 | Tuesday April 16 1985 | D 8523 B

France tries to close gap on scientific research, Page 24

World news | Business summary

Glemp leaves for talks with Pope

Polish Primate Cardinal Josef Glemp left for consultations with the Pope as church-state relations in Warsaw continued to deteriorate.

Almost daily attacks in the Polish media on "political activities" of some clergy point to efforts by the authorities to force Cardinal Glemp to restrain his Solidarity-style priests and to stop church appearances by opposition members.

The Primate has defended the Pope against recent criticism by the Polish authorities, and the Rome talks might serve to define church policy on how to face government demands. Page 3

Weizman to Cairo

Israeli Minister without portfolio Ezer Weizman flew to Cairo saying a summit between Israeli Premier Shimon Peres and Egypt's President Hosni Mubarak was imminent. Mr Weizman'a mission had earlier been endorsed by the Cabinet by only one vote. Page 4

Vigil for Neves

Tension mounted in Brazil as the nation waited for news of Sr Tancredo Neves, the dying President-elect, after the release of regular medical bulletins was stopped. Page 6

Mid-East talks

U.S. Assistant Secretary of State Richard Murphy had "wide-ranging and constructive" talks with Israeli Prime Minister Shimon Peres and Foreign Minister Yitzhak Shamir on a possible American role in Mid-East peace negotiations.

Mitterrand pressed

Pressure on French President François Mitterrand to resign if the opposition gains a majority in the parliamentary elections next year has been intensified by M Raymond Barre, former prime minister, Page 3

Reagan visit talks

Bonn and Washington are discussing changes in President Reagan's state visit next month, to meet U.S. complaints that his itinerary does not include a trip to a site connected with Jewish victims of the Nazi regime. Page 3

Nato support

Nato Secretary-General Lord Carrington reaffirmed his support for U.S. research into a space-based anti-missile system, saying its development need not lead inevitably to deployment.

Abe pledge to U.S.

Japanese Foreign Minister Shintaro Abe promised to study U.S. criticism that insufficient domestic investment was a cause of the country's huge trade surplus with the rest of the world.

Runcie strike row

Dr Robert Runcie, Primate of the Church of England, stepped into a conflict between the Australian Government and the Queensland Premier, Sir Joh Bjelke-Petersen, over the northern state's new anti-strike legislation when he spoke out in favour of the democratic right to strike.

Diplomat accused

A senior West German diplomat ordered to leave Iraq last week has been accused of contacting opponents of President Saddam Hussein, according to Bonn sources.

Left ahead in Peru

Peru's next president is expected to be Sr Alan Garcia, 36, whose centre-left Apra Party has won 48 per cent of the general election votes, according to forecasts. However, he may face a second round of voting in June. Page 6

Asda to take over MFI for £615m

ASDA, British stores group, is to create one of UK's largest retail combines with an agreed £615m ($784m) takeover for discount furniture retailer MFI. Page 26; Feature, Page 25

DOLLAR was weaker in nervous London trading, closing at DM 3.025 (DM 3.051), FFr 9.23 (FFr 9.315), SwFr 2.5255 (SwFr 2.5655) and Y249.9 (Y250.85). On Bank of England figures, the dollar's index fell to 144.0 from 145.8. Page 47

STERLING was firmer in London, gaining 1.8 cents against the dollar to close at $1.275. It also improved to DM 3.8575 (DM 3.845), FFr 11.78 (FFr 11.705) and Y319.0 (Y315.5) but declined against the strong Swiss franc to SwFr 3.22 (SwFr 3.225). The pound's exchange rate index rose 0.9 to close at 79.3. Page 47

LONDON prices were firmer and gilts were in demand. The FT Ordinary index rose 9.2 to 977.0. Section III

TOKYO stocks were lower because of a lack of incentives. The Nikkei-Dow market average shed 35.28 to 12,552.73. Section III

WALL STREET: At 1pm the Dow Jones industrial average was up 2.54 at 1,268.22. Section III

GOLD rose $4 on the London bullion market to $333.00. It was also higher in Zurich at $330.75. Page 46

NIGERIA will trade crude oil for raw materials if necessary to save foreign exchange, National Planning Minister Michael Adigun said.

RIO TINTO-ZINC subsidiary CRA and Hancock Prospecting are to develop a A$350m ($235m) iron ore mine in Western Australia producing 10m tonnes a year, using mainly Romanian equipment. Page 33

DANISH incomes policy will increase economic growth and employment and curb inflation and public borrowing for two years, economists say. Page 2

INDIAN Prime Minister Rajiv Gandhi invited foreign investment in energy, transport communications, agriculture and education when he spoke to international businessmen. Page 4

SOVIET LEADER Mikhail Gorbachev criticised state industries for producing obsolete equipment and consumer goods nobody wanted. Page 2

CITICORP of New York and NMW Computers, the UK's largest stock processing bureau, are to set up a new company to provide dealing and banking services for stockbrokers in the deregulated UK securities market. Page 8

WHEELING-PITTSBURGH, seventh largest steelmaker in the U.S., is edging towards filing for protection under Chapter 11 of the bankruptcy code, according to union officials who have been lobbying for fresh funds for the company. Page 26

CHASE MANHATTAN, the third largest U.S. banking group, boosted first-quarter profits 23 per cent to $133.9m against $102.5m previously. Page 27

CONTINENTAL ILLINOIS, the U.S. bank rescued last year after a liquidity crisis, reported net earnings of $39.3m in the first quarter of 1985, up from $36.6m in the final quarter of 1984.

INSURANCE BROKERS Alexander & Alexander of the U.S. and Reed Stenhouse of Canada, who agreed to merge last December, revised the terms of the deal to take account of improved prospects at Alexander. Page 27

PACIFIC BELL launched a $100m Eurobond issue as the first U.S. telephone company created by the break-up of American Telephone and Telegraph. Page 48

UNOCAL, West Coast U.S. oil company, rejected Mr T. Boone Pickens's $3.4bn tender offer for majority control as "grossly inadequate." Page 27

Mitsubishi and Chrysler plan small car in U.S.

BY TERRY DODSWORTH IN NEW YORK AND JUREK MARTIN IN TOKYO

CHRYSLER of the U.S. and Mitsubishi Motors, its Japanese affiliate, yesterday announced an agreement for co-production of small cars at a new plant in the American Midwest starting in 1988.

Mr Lee Iacocca, Chrysler's chairman, is in Tokyo and the announcement comes just 72 hours after Chrysler, in effect, dropped its legal objections to the projected collaboration in the U.S. between Toyota and General Motors.

Chrysler said yesterday that the proposed $500m plant would have a capacity of 180,000 cars a year and employ around 2,500 workers, creating an additional 8,800 U.S. jobs in supplier organisations.

There were no indications yesterday that the U.S. company had made a prior agreement with the United Auto Workers' union on staffing for the plant. But Chrysler said the location would be somewhere in the mid-western states of Ohio, Illinois, Kentucky or Michigan – all states in which the UAW is either well organised or has a substantial presence.

The structure of the joint agreement has several similarities with the GM-Toyota deal.

Under the joint manufacturing contract, the new plant will be run and headed by Mitsubishi executives, while making a Mitsubishi-engineered car. Chrysler's main participation on the production side will be on a policy-making committee.

The launch of the new car, which is expected to replace the sub-compact Omni-Horizon model in the Chrysler range, is scheduled for 1988. No details of the planned vehicle were given, but it is expected to have a 1.8-litre engine, and will be sold both through the Chrysler dealer network – whose 1,800 dealers sell Mitsubishi's Japanese made models – and Mitsubishi's own network of 84 dealers.

Chrysler added that it was still continuing with its "Liberty" car project, a crash programme to develop a competitive small car that would be launched in the same segment of the market, although probably slightly later.

The agreement underlines Chrysler's policy of speeding up its engineering and vehicle development shedules through links with foreign manufacturers. In Europe it has recently signed contracts with Lotus in the UK and the De Tomaso subsidiary of Maserati in Italy.

Mitsubishi Motors (MMC), one of the smaller Japanese concerns in the industry, becomes the fifth Japanese car company to enter into production in the U.S., after Honda, Nissan, Toyota and Mazda.

Chrysler's connections with MMC go back to 1971, when MMC was set up in collaboration with the Mitsubishi Heavy Industries group as part of the new joint venture. The capital structure of MMC is to be reorganised, with Chrysler increasing its stake in two steps, moving up from its present 15 per cent to 20 per cent immediately, and going up to 24 per cent next year.

The additional Chrysler shares will be acquired from Mitsubishi Heavy Industries for an undisclosed sum. The Japanese company said that it is also intending to sell shares to "other" organisations, with the intention of reducing its own participation in preparation for the flotation of MMC on the Tokyo Stock Exchange. Chrysler and the Mitsubishi parent company, however, will continue to be the principal shareholders.

Chrysler and MMC have been talking about a collaborative venture in the U.S. for at least two years.

Glaxo earnings soar on success of ulcer drug

BY TONY JACKSON, CHEMICALS CORRESPONDENT, IN LONDON

GLAXO, the British pharmaceutical group, said yesterday that profits in the six months to December had surged by 66 per cent because of the success in the U.S. of Zantac, its anti-ulcer drug. Earnings soared to £194.6m ($249m) against £117.4m the year before.

The result, much better than expectations, brought a sharp rise in the share price, which closed in London 85p up at 1160p.

Zantac was introduced to the U.S. market in mid-1983, and has made remarkable strides since then. Within a year, sales reached $134m, taking a market share of 33 per cent. By last December the figure had risen to 38 per cent, and according to the company is now over the 40 per cent mark.

The drug, whose only competitor is the older-established SmithKline product Tagamet, has scored further successes in other world markets. Analysts in London said that in the past 12 months market share in the UK had risen by some 7 per cent to 45 per cent, and in Germany by 6 per cent to 46 per cent. In France, where the product was introduced only five months ago, market share is already estimated at 20 per cent.

Last November also saw the launch of Zantac in Japan. Analysts speculated that the Japanese market might prove more difficult to penetrate, particularly since a third entrant to the anti-ulcer market after Tagamet and Zantac is due to be launched by the Japanese drug company Yamanouchi within the next two months.

Glaxo said that the U.S., which is now the group's biggest sales area, produced the fastest rate of sales growth in the past six months, with the next highest growth coming from Italy. In 1984 Glaxo ranked 20th in U.S. prescription sales of drugs, up from 38th the year before. Other important drugs in the U.S. besides Zantac include Ventolin, the anti-asthma drug, which Glaxo claims has a 31 per cent share of a market worth $87m.

The group said that movements in currencies had added £12m to profits over the six months. A further £9.5m came from higher investment income, due chiefly to increased cash flow.

Sir Austin Bide, Glaxo chairman, will retire in December to make way for the present chief executive Mr Paul Girolami. The new chief executive will be Mr Bernard Taylor, currently head of Glaxo's UK operations.

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South Africa troops 'to pull out of Angola by end of this week'

BY ANTHONY ROBINSON IN JOHANNESBURG

THE LONG-DELAYED withdrawal of South Africa's remaining forces in Angola will take place by the end of this week, Mr Pik Botha, the South African Foreign Minister, announced in Cape Town yesterday.

The troops are the last to pull out of the forces that mounted a five-week campaign at the end of 1983 in southern Angola against guerrillas from the South West African People's Organisation (Swapo), which is fighting South Africa for control of Namibia (formerly South West Africa).

The original withdrawal programme began in February and was supposed to be completed within six weeks under the Lusaka agreement between Angola and South Africa. But it soon became bogged down in wider negotiations involving the U.S. as well as Angola over the possible withdrawal of Cuban forces from Angola. Another delaying factor was increased military activity in the region by Swapo and the Unita movement, which is engaged in a civil war against the Angolan Government.

Yesterday's announcement appears to be the fruit of complex negotiations involving the U.S., South Africa, Angola and Cuba aimed at securing a phased withdrawal of Cuban troops from Angola linked to progress towards the independence of Namibia under the terms of UN Resolution 435.

South Africa is to repeal apartheid legislation outlawing racially mixed marriages and sex between whites and non-whites. Mr F. W. de Klerk, Home Affairs Minister, said the Government accepted recommendations of the Badenhorst committee that the 1949 Act prohibiting mixed marriages be removed from the statute book as it could not be justified on scriptural or other grounds. Page 4

That calls for South African withdrawal from the territory it has ruled illegally since 1966 and elections to a constituent assembly under UN auspices.

While South Africa has formally accepted Resolution 435, like the U.S. it has made implementation conditional on a withdrawal of Cuban troops under terms hitherto unacceptable to Angola, which fears that precipitate Cuban withdrawal would increase the pressure from Unita, supported by South Africa.

Mr Chester Crocker, U.S. Assistant Secretary of State for African Affairs, recently presented South Africa with a new timetable worked out with Angola, which is believed to have narrowed the gap between earlier South African and Angolan positions. Angola agreed to reduce Cuban forces from the present 25,000 to 10,000 in stages, while Pretoria demanded complete withdrawal, synchronised with the withdrawal of its own forces from Angola and Namibia.

The continuing presence of South African troops in Angola south of Ngiva, some 25 miles from the Angolan-Namibian border, has made it more difficult for Swapo to mount and supply its annual wet-season offensive in the Ovamboland war

South African forces last week claimed that 238 Swapo guerrillas had been killed by security forces this year.

Sudanese close to agreement on new Cabinet

By Michael Holman and John Murray Brown in Khartoum

SUDAN'S new military Government and representatives of political parties and trade unions were last night reported to be close to agreement on the appointment of a prime minister and a 15-man Cabinet.

Unconfirmed reports suggested that the two front runners for the post of prime minister were Mr Mirghani al Nasri, a leading lawyer, and Dr Al Jazuli, a prominent member of the country's medical union.

Earlier yesterday, Sudan's new military leader General Abdul Rahman el Dahab, made an important conciliatory gesture to the country's troubled southern province, offering rebel leader Col John Garang a place in the new Cabinet.

Col Garang, leader of the Sudan Peoples Liberation Army, has been waging an increasingly successful guerrilla campaign in the south, a factor that played a considerable part in former President Jafaar Nimeiri's overthrow this month.

The campaign forced the country's oil exploration programme to a halt and was an increasingly expensive drain on the economy.

There was no immediate response last night from Col Garang, who in a broadcast last week was highly critical of the new regime.

The general also indicated a slight shift in Sudan's pro-Western policy under Mr Nimeiri, speaking of his hope for better relations with Ethiopia, Libya and the Soviet Union.

It was agreed last Thursday that a mixed military and civilian Cabinet, ultimately responsible to Gen Rahman el Dahab, would run the country during a 12-month transition to civilian rule.

The shape that civilian rule eventually takes will depend on the constitution that will be drawn up over this period. An early indication of its possible structure was given in an interview this week by the country's Prime Minister in the 1960s, Mr Sadiq el Mahdi, who was detained until last year.

Mr Sadiq's Umma party has been one of the main political forces over the past 25 years and will be a leading participant in the proposed elections.

He envisages an executive president and a legislative assembly "elected not entirely on one man, one vote." There should be blocks of seats reserved for special interest groups: "professionals, trade unions, women and so on, and the army will have to be accommodated. There is no way in our present

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Pound strong as economy fears hit $

BY PHILIP STEPHENS IN LONDON AND PAUL TAYLOR IN NEW YORK

STERLING rose to its highest level since last June yesterday as concern over the pace of the U.S. economy and renewed worries over the health of the U.S. financial system brought further heavy losses for the dollar.

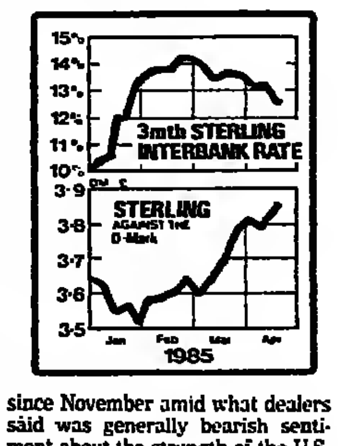
It closed in London at $1.2750, up 1.8 cents on the day, and the sterling index, which measures its value against a basket of important currencies, rose by 0.9 points to 79.3.

The dollar continued to come under selling pressure in early New York trading. By lunchtime, sterling had advanced to $1.2765 after being quoted at $1.28, while the dollar had fallen to DM 3.02, FFr 9.92 and Y249.85.

The pound's gains reinforced hopes in London of a small cut in base lending rates, although the Bank of England made clear in its money-market dealings that it was still cautious about a fall in rates.

In London, sterling's advance was strongest against the dollar, which weakened sharply against all main currencies, but it also rose against other European currencies because of the attraction of high UK interest rates.

The dollar fell to its lowest level



since November amid what dealers said was generally bearish sentiment about the strength of the U.S. economy.

It closed in London at DM 3.0250, down 2.6 pfennigs on the day and near to what dealers regard as an important psychological point of DM 3.00. The value of the U.S currency is now 12 per cent below its highs of early last month.

Dealers said that revised figures for U.S. output, due today and later

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Currencies, Page 47

'High-risk' U.S. banks may face new curbs

BY PAUL TAYLOR IN NEW YORK

A SENIOR U.S. bank regulator yesterday proposed that additional restrictions be imposed on "high-risk" banks. Under the plan, commercial banks with low levels of liquidity or whose business activities placed them in a higher risk category would be required to maintain larger capital reserves.

The proposal came as recently approved and tougher minimum primary capital levels were formally imposed on all U.S. banks, and amid renewed concern about the health of some U.S. financial institutions in the wake of the collapse of two government securities dealers.

Mr Joseph Selby, senior deputy Comptroller of the Currency for bank supervision, said his office was considering changing capital standard rules to take into account the total risk faced by individual commercial banks.

Under the scheme, the Comptroller's office would impose higher capital requirements on those institutions which have low levels of liquid assets such as cash or Treasury bills, or significant off-balance-sheet activities such as standby letters of credit which do not show up as liabilities on a bank balance sheet and so are not reflected in existing minimum bank primary capital ratios.

Mr Selby said those banks with strong liquidity positions and high-quality liquid assets – such as Treasury securities – would be allowed lower capital ratios.

The Comptroller's office is the second important U.S. Bank regulatory agency to propose further revisions in the rules covering U.S. bank capital levels. Last month, the U.S. Federal Reserve Board proposed a formal scheme of rankings for U.S. commercial banks on the basis of how "strong" they appeared. That would be based on the

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Chase Manhattan profits rise, Page 27

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Gorbachev lands heavy blow on Soviet industry

BY PATRICK COCKBURN IN MOSCOW

MR MIKHAIL GORBACHEV, the new Soviet leader, bas attacked many industries for "turning out obsolete machinery and equipment and consumer goods for which there is no demand." His remarks are the most radical criticism of Soviet industry in 20 years.

Rates of growth in the current five year plan were too low, be said. "You can't ignore the effects of the harsh winter, of course, but let's be frank and admit that our unsatisfactory performance in the first quarter of the year was largely the result of bad organisation, complacency and even irresponsibility."

Not only was the Soviet Union's social and economic progress dependent on an improved rete of growth, but so was lts "defence capability."

Mr Gorbachev said that two routes were being pursued to strengthen the economy. Overall planning was being centralised while "it is necessary consistently to introduce genuine financial autonomy, expanding the rigbts of enterprises, collectives and state farms." Individual plants and workers needed to know thet there is a direct connection between thelr performance and their financial rewards.

The Soviet Press has been filled with accounts of dismissals for incompetence or corruption in recent months but it is still unclear bow far Mr Gorbachev will be able to translate his rhetoric into an improved economic performance.

Mr Vlctor Afanasayev, the editor of Pravda, said recently: to Mr Gorbechev, said recently: "People can talk and do nothing, but you just try to sack them from their jobs."

The meeting of industriel and agricultural managers which Mr Gorbachev addressed gives some indication of the shape of the next five-year plan for 1986-90. Speakers said the bulk of capital investment must go on the re-equipment and reconstruction of existing plant, rather than on new projects.

This will be difficult. Some 55 per cent of investment over the next five years will be absorbed by agriculture and energy.

Union will spend £13m in assault on Danish coalition

DENMARK'S Special Workers Union (SWU), the country's largest union nf unskilled workers, plans to spend DKr 180m (£13m) in a propaganda campaign designed to bring down the non-Socialist coalition Government, writes Hilary Barnes in Copenhagen. Its action has been prompted by the government incomes policy imposed earlier this month.

Mr Poul Schlneter, the Prime Minister, who leads the Conservative Party, referred to the union's plan as an attempt "to buy the people by the raw power of capital" and forecast that it would fail.

The sum is unprecedented by the standards of Danish politics. The largest political party, the Social Democrats, spends less than a tenth of this amount in a normal general election campaign and other parties spend less than DKr 5m.

The SWU's plan caused Mr Schlueter and nther non-Socialist politicians to call for an end to the tax deductibility of trade union dues. Ms Lone Dybkjaer, a leading member of the Radical Party, which supports the Government, said it was more than ever necessary to ban union contributions to political parties.

Trade unionists cannot withhold union dues which are used for party political purposes. This has been a sensitive issue in Danish politics for years. Last year, several serious unofficial strikes were caused when union members left the SWU because they refused to pay money to the union for party purposes. The individuals concerned were blackballed by the union movement and have been unable to find jnbs since.

Incomes policy boost for economy forecast

BY HILARY BARNES IN COPENHAGEN

DENMARK CAN look forward to a substantial increase in employment, an average GDP growth rate of 3-4 per cent a year, falling inflation and lower current account and public sector financial deficits following the statutory incomes policy imposed by the Government for the next two years, according to both government and independent economists.

The measures will enable the Government to consolidate and improve the recovery which began in 1982 wben it abolished price-wage indexation and stopped the growth, in real terms, of public sector expenditure.

The incomes policy, imposed with effect from March 1 allows for 2 per cent wage increases this year and 1½ per cent next. Employers' social security contributions will be reduced by 1½ per cent of the wage bill from October, the working week will shorten by one bour to 39 bours from December 1, 1986 and corporate income tax goes up from 40 per cent to 50 per cent.

These measures will lead to e sustained export and investment-led recovery, according to the Government's own projections, which despite some minor differences, are confirmed by forecasts made by the three chairmen of the Economic Advisory Council.

The Council was formed more than 20 years ago to inform business and btc labour market about economic developments, and, although financed by the Government, is independent of lts influence. Mr Poul Schlueter, the Prime Minister, described the Council's conclusions as 'very encouraging."

The real GDP growth rate last year was about 4½ per cent (to which e record harvest contributed significantly). This year,it is expected to slip to 3 per cent and ebont 3½ per cent in 1986. In a longer term projection, the Government predicts an average annual growth rate in 1986-89 of 3.8 per cent.

No growth is expected in public sector consumption or investment over the next two years, but private consumption should increase by about 1½ per cent this year and 2 per cent next year

New fixed busines investment is forecast to rise in real terms by 15 per cent this year, after increasing by 12 per cent in 1984, and by ebout 6 per cent in 1986. Export volume sbould rise by 7½ per cent this year (In part reflecting last year's good harvest) and just over 5 per cent next. Imports are thought likely to grow ebout 5 per cent this year and 4 per cent in 1986.

The impact of the incomes policy on Denmark's chronic current eccount balance of payments deficit will take time to emerge. Both the Government and the Advisory Councll expect this year's to be ebout DKr 17bn (£1.25bn), unchanged from 1984 wben it was equal to debt at the end of last year had 3 per cent of GDP. Net foreign risen to almost Latin American proportions et DKr 21£bn (£16bn), or 38 per cent of GDP.

The forecasts expect the deficit to first come down wben 1986. A fall to about the investment boom talls off in DKr 10-11bn is thought likely. witb a further reduction in 1987. The Government'a deciared aim is to echieve equilibrium on the current account bv/ 1988 whicb would be the first time for 25 years.

The yeer-on-year average increase in consumer prices is expected to decline from 6½ per cent last year to 4½ per cent this and to only 1½-2 per cent in 1986, according to tbe Government. The Council are a little less sanguine, expecting inflation to fall more slowly to 2-3 per cent in 1987.

Both Government and Council egree that employment will rise substantially. Tbe Government estimates an increase of 55,000 to 2.52m between 1984 and 1986, the Council an increase of 95,000 between 1984 and 1987, which would take the rise in jobs since 1982 to 150,000, virtually none of them in tbe public sector.

The total public sector deficit on current, investment and lending eccounts, which at DKr 24bn last year was some 4 per cent of GDP, is forecast to decline to DKr 11½bn next year.

Dutch union steps up campaign for hours cut

By Our Amsterdam Correspondent

THE Dutch metalworkers' union yesterday began a 24-hour strike at the Utrecht-based metal processing plant of Panevis BV, following disruptive action last week by 2,000 Dutch metalworkers, at ten companies.

The FNV union is demanding shorter working hours, 100 per cent compensation by employers for next month's reduction in government subsidised sickness benefits, and raised allowances to teke account of inflation.

The union's principal demand is for a shortening of the 38-hour working week to 36 hours next year, which it hopes will create more jobs.

It aims to achieve a 32-hour week by 1990, encouraged by government claims that, through shortened hours, the civil service hes created three times as many jobs as the private sector over the past twn years.

The Government created more than 11,000 jobs last year for public sector employees through reduced working time. Prime Minister Ruud Lubers, meanwhile, says that shorter bours should lead to increased production if accompanied by the flexible restructuring of working time and, if necessary, by extending the total operating bours of factories.

Tbe management of most small and medium sized companies in the metal industry, bowever, reject tbe FNV proposals on the grounds that there are insufficient trained workers in tbe metal sector to fill jnbs.

Their other concern is that the implemcntation of a 36-hour week, aheed of other countries, would give edvantage to foreign competitors.

The fourth round of talks began yesterday between the unions and Akzo, the Arnheim-based chemicals group, over e 36-bour week. Akzo last year began a 38-hour week for its 22,000 employees by maintaining an eight-hour day with 13 days free a year.

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Swedish television forced to counter the cable invasion

One of Europe's last bastions against TV advertising is crumbling, writes David Brown

THE FOUNDERS of Swedish TV had a vision for its future. Above all, lt would be untainted by commercialism. The programming would be edifying, educational and entertaining, in thet order.

The system worked well enough for severel decades, that is until satellite and cable transmissions expanded across netional boundaries.

Now, one of Europe's last bastions against TV advertising is threatening to crumble, and the programming gurus in Stockholm are being forced to lay much more emphasis on the "entertainment" end of their equation to keep their ratings up.

"The swift developments of TV satellites and cable may compel us to change our position on the question of advertising," said Mr Ingvar Carlsson, Deputy Prime Minister who is also so-called "Minister of the Future."

This would mark e major ideological departure for Sweden's Social Democratic administration. As recently as last autumn, its party congress again went on record egainst commercial broadcasting. But the Government will have to respond to changes already under way if it wants to prevent a continued erosion of viewers.

One recently-released study on Gothenburg sbows that viewing of Swedish TV has plunged by nearly 50 per cent among the young and well-educated (bence, multilingual) since the introduction of international satellite TV.

Cable penetration, although small in comparison with such more densely populeted countries as Belgium (54 per cent) and Switzerland (47 per cent), is behind this re-evaluation. At present, some 75,000 (5 per cent) of Swedish bouseholds, mainly of apartment dwellers in the big cities, are connected to such networks.

But the Televerket (the public telecommunications agency which controls two thirds or more of the country's cable installations) expects to lay 250,000 mnre lines this year, and several million by the end of the decade. While the actual expansion of Sweden's cable system depends on several political decisions, its existence has forced the pace of the debate.

In virtually e single year, Sky Channel and Music Box of the UK and TV5 of France have given Swedish viewers their first taste of commercial programming.

Moreover, Esselte/Video Net is expected to come on line soon with subtitled broadcasts whicb will further expand the potential market, especially among older and less-educated viewers who have a limited knowledge of foreign languages.

That the eudience likes what it sees is evident from the concern among national network executives. To meet the challenge, they have proposed a third channel financed by subscription rather than by advertising to supplement the two existing "public service" stations.

The public stations will clearly need e major source of new revenue—in addition to their licence fees—to draw the audiences back with the more expensive programming offered by the commercial competition.

"We stand the risk of being overrun by the international companies if we don't start our own pay TV tests quickly" warns Mr Kjell Kullberg of Swedish Television.

Should the Government approve a third subscription-financed television channel, this might solve one financing problem. But it will not make tbe politically difficult edvertising issue go eway as long as foreign-produced commercial television, with advertising, floods in through the cable networks.

In legisletion to be introduced shortly to regulate cable expansion, the Government is expected to prohibit edvertising produced specially for the Swedish market. But that which appears in the course of normal international programming would be tolerated.

Mr Lars Nabseth, the Industry Association president condemns the legislation for putting Swedish-produced goods et a disadvantage in tbeir own market. "Our companies should be allowed to compete on the same terms as those from abroad," be says.

"It is ridiculous to allow Ford to edvertise its cars on cable, but not Volvo," says another.

Moreover, the non-Socialist opposition parties bave become increasingly strident in their calls for deregulation and, as this entumn's botly-contested general election nears, there is evidence their position bas broad popular support.

Ingvar Carlsson—"Minister of the Future"

In response, the Government has promised to appoint a commissioner to look into the potential impact of *not* allowing TV edvertising. That the report is due after the election is not considered e coincidence.

Alia pledge to follow Hoxha path

By Leslie Colitt in Berlin

ALBANIA'S NEW leader, Mr Ramix Alia, yesterday swore an oath to his deceased predecessor, Enver Hoxha, that the Communist Party and people will "always preserve and keep Albania as it is." His pledge was made at the funeral of Mr Hoxha who died last week at 76.

The funeral ceremony, beld in Tirana's Skandebeg Square, was barred to foreign diplomats in keeping with the ultra-nationalism whicb marked Mr Hoxha's 40 years of rule.

Mr Alia (59), who weathered Mr Hoxha's purges of suspected rivals, promised in his nration that Albania would be "always strong and always red, as yon wanted it." He was previously responsible for maintaining the ideological purity of Mr Hoxha's brand of Stalinist Socialism.

Alluding to Albania's repudiation of its past alliances with the Soviet Union and Peking. Mr Alia said his predecessor knw how to steer the "small but strong Albanian boat to safe shores." Under Mr Hoxha's rule the people bad smashed wlth an "iron fist" attempts by "reaction and foreign agents" to undermine and overthrow him.

The most recent attempt was in 1981 when Mr Mehmet Shehu, the Prime Minister, failed in a plot to seize power and was said to have committed suicide. Mr Hoxha later denounced him as a Soviet, Yngoslav and Western agent.

Mr Alia promised to continue the late ruler's economic policy, noting that the "brilliant results" achieved in all sectors bad fully proved their correctness.

Reuter correspondent Richard Balmforth, wbo watched the three-hour military-style funeral on Albanian television from Yugoslavia, said Mr Hoxha's wife sobbed as his coffin was lowered into the hillside grave in heavy rain. Mr Alia also apepared to be weeping.

Groups of mourners seemed close to hysteria and an eerie wailing broke out from the crowds as the coffin passed.

In a startling incident in a state officially declared atheist, an old woman came forward and made the sign of the cross before kissing Mr Hoxha's coffin.

Glemp flies to Rome as state relations worsen

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH primate, Cardinal Josef Glemp, yesterday flew to Rome for consultations with the Pope sgainst a background of deteriorating relations between church and state. The visit follows almost daily attacks in the Polish media against wbat it describes as the political activities of some of the clergy. Most recently the attacks have criticised the Pope himself.

The authorities evidently want the primate to clamp down on priests who support Solidarity, the banned trade union, and to stop opposition leaders from making public appearances in churcbes. Speaking in Warsaw before he left Cardinal Glemp made it clear that any hope of driving a wedge between the cburch and tha Pope, was groundless, but the talks in Rome could well serve to define churcb policy on how to face government demands to tone down ontspoken priests.

The issua has come to prominence since the Easter attack on Tadeusz Zalewski, s young priest in Krakow who was burnt on the chest and hands by an "unknown assailant." The swift protest by Cardinal Franciszek Macharski left no donbt that the church hierarchy were treating it as official intimidation. An official communique bas suggested that the priest had burnt himself during an epileptic fit.

Tha Church is taking developments all the more seriously after Izvestia, the Soviet newspaper, declared on April 7 that "Polish society was becoming increasingly disturbed at the growing influence of the militant and ambitious sections of the clergy."

● Delegates representing Poland's small Democratic Party surprisingly voted at the weekend to replace their chairman Mr Edward Kowalczyk, who is also a Deputy Prime Minister. The move, unprecedented in post-martial law Poland, will alert Gen Wojiecb Jaruzelski, the Communist party leader, to ensure that delegates to his party congress due next year dn not follow suit.

In theory, the 100,000 members of the Democratic Party are supposed to defend the interests of the country's 300,000 small private businesses while at the same time following the Communist party line.

But it is Mr Kowalczyk's failure tn defend this sector from mounting taxes, and discriminatory practices by state industry which bas led to the election nf Mr Tadeusz Mlynczak wbo led the party in the seventies.

Moscow warms to London

BY PATRICK COCKBURN IN MOSCOW

THE SOVIET union's relations with Britain are improving and trade between the two countries is likely to increase, the Soviet daily Pravda said yesterday.

The article, by Mr Arkady Maslennikov, Pravda's London correspondent, said that "relations between the Soviet Union and Britain are marked today by a desire on both sides to increase co-operation." Political contacts have increased, he said.

Mr Maslennikov also said that Britain has strong doubts about President Reagan's "Star Wars" Strategic Defence Initiative. Moscow had previously noted British reservations about the project expressed by Sir Geoffrey Howe, the Foreign Secretary, in a speech last month.

Pravda also notes that there has been an increase in trade with Britain, with British companies negotiating contracts for two chemical plants each worth £500m.

Christopher Bobinski adds from Warsaw: Comment in the Polisb papers following Sir Geoffrey Howe's visit to Poland last week betrayed no sign of official displeasure at the stress be put on buman rights and his contacts with Solidarity supporters. The visit underlined Poland's role in working to improve East-West relations, the newspapers said, expressing satisfaction that top level contact has been made with Britain.

Barre rules out coalition under Mitterrand

BY DAVID HOUSEGO IN PARIS

PRESSURE on President Mitterrand to resign if the opposition gains a majority in the parliamentary elections next year bas increased witb a strong statement from M Raymond Barre, the former Prime Minister.

M Barre declared in a radio broadcast in far more forceful language than he has used so far that M Mitterrand sbould step down two years before his term expires if the Left is defeated. He also went further in saying that be would refusa to support s vote of confidence in any rigbt-wing coalition that agreed to take office while M Mitterrand remained at the Elysee.

He speaks as the most popular opposition leader and as something of an Olympian figure on the French political scene with his reputation for clarity and outspokenness. His warning is embarrassing to M Mitterrand whose strategy is to build a Socialist and opposition coalition next year. It is also embarrassing to tbe parliamentary opposition parties wbo said only last week that they would form a government under M Mitterrand as President if tbey should win a majority in tbe elections.

That statement was signed by M Jacques Chirac, leader of the neo-Gaullist RPR, and by M Jean Lecanuet, head of the centrist UDF. But it was also applauded by M Giscard d'Estaing, the former President, wbo has long taken the view that the Right must accept the challenge of forming a government and then do battle with M Mitterrand.

In refusing to support a vote of confidence in such a government, M Barre was effectively ruling it out because he and his followers will represent a sizable bloc in the next National Assembly. M Barre's gamble is that if the Rigbt refuses all compromise with M Mitterrand, it could steamroller him out of office

M Barre has stepped up the pressure because be believes that the departure from the Government of the Communists and then M Michel Rocard, the most popular Socialist minister, has left M Mitterrand more vulnerable. It is unclear whether M Rocard will depart quietly or whether be has plans to build a centrist following

The former Premier believes that if the Right attempts to govern under M Mitterrand, it would be prevented from carrying out its programme by his still substantial powers as President. M Barre asked rbetorically in his Sunday nigbt broadcast whether a man such as M Mitterrand who bad used the President's powers in tbe folt would allow himself to be confined to a cupboard.

Barre (right): embarrassing

U.S. budget action urged by Stoltenberg

By Our Bonn Correspondent

ON THE eve of key monetary meetings in Washington, Herr Gerbard Stoltenberg, the West German Finance Minister, yesterday demanded action by the U.S. to cut its budget deficit, as the best means nf easing the debt problems of developing countries.

He warned that despite a reduction in its combined trade deficits, the third world was facing a further increase in its total indebtedness this year to some $970bn, compared with $895bn last year

West Germany, be said, would make clear at this week's gatherings of the IMF Interim Committee and the World Bank its readiness to open up its own markets further to imports from developing nations, and to belp critically indebted borrowers reschedule their debts within the framework of the so-called "Paris clnb."

But the greatest contribution would be a cut in the U.S. bndget deficit. Herr Stoltenberg drew bope from the recent decline in the dollar but empbasised that a cut of, say, $50bn in the deficit would lower interest rates whicb would ease the burden of borrowers and bring down the dollar further.

He came out firmly against a major new issue of Special Drawing Rights, as demanded by France and the EEC Commission, to help ease the repayment difficulties of third world debtors. The Fund was not currently suffering from any overall liquidity shortage,

Controversy dogs Reagan's German trip

BY RUPERT CORNWELL IN BONN

BONN AND Washington are bolding urgent talks to agree changes in the planned state visit bere next month by President Ronald Reagan, to meet the fierce complaints in the U.S. that no call at a site connected with the Jewish vitims of the Nazi regime ia on his schedule.

The criticism has gathered in intensity since publication of details of the M 1-6 trip last week, when it was annonced that ha wonld be visiting war graves of German soldiers killed during the Ardennese ? ? ? ? offensive against American forces.

That visit, during whicb Mr Reagan would lay a wreath at the Bitburg military cemetery in the Elfel mountains, was explained as underlining the "spirit of reconciliation" with wbich the former wartime enemies, now allies, wisb to imbue the President's trip to West Germany.

Bot it has caused particular dismay in that Mr Reagan earlier in the year turned down the idea that he should also go to the former Nazi concentration camp at Dachau near Munich, on the grounds that this would unfairly link modern West Germany with the barbarities of the Third Reich.

Herr Peter Boenisch, the Bonn government spokesman, yesterday confirmed that consultations on a possible adjustment of Mr Reagan's schedule were in progress. The most likely options are that a visit to a concentration camp site, or to a synagogue wil be added to his programme.

The latest contretemps is further proof of the delicacy of tbe visit, and the possible pitfalsl which could still emerge.

Another reminder came yesterday with an open appeal from Mr Robert Kempner, a U.S. prosecutor at the Nuremberg war trials, for Mr Reagan to visit a camp. Hr Kempner, who now lives in Frankfurt, pointed out that "bundreds of tbousands" of U.S. citizens had relatives murdered by the Nazis.

Almost simultaneously, the Jewish "Holocaust Committee" In Jerusalem, issued the text of a letter tn the White Hnuse expressing its astonishment that Mr Reagan had no intention of commemorating "victims of the cruelty of Nazi Germany."

Yugoslavia rescheduling talks meet delay

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

YUGOSLAVIA and its commercial bank creditors bave run into unexpected problems in their efforts to reach agreement on resceduling some $3.5bn (£2.85bn) in debt falling due between now and the end of 1988.

At the latest round of talks in New York last week the Yugoslav delegation raised a number of questions which bankers say had already been largely resolved by the International Co-ordinating Committee which is handling the negotiations.

The issues are mainly administrative, ranging from the amount of information bankers should receive on rescheudling deals struck with nther creditors such as governments, to the expenses of the co-ordinating committee itself which Yugoslavia wants to cut by 45 per cent from last year.

Bankers say they believe the uYgoslav move was tactical, aimed at stretching ont the negotiations so as to persuade bank creditors to offer an improved interest rate. For last year's rescheduling Yugoslavia agreed to pay a margin of $1\frac{3}{4}$ per cent over Eurocurrency rates or $1\frac{1}{2}$ per cent over U.S. prime rate.

One of the few points of substance raised by the Yugoslav delegation last week was the amount due to be repaid from a $600m credit granted by the banks in 1983 as part nf the deal. But here the differences are relatively narrow with the banks seeking $133m and Yugoslavia offering $87m.

By contrast tbe two sides bave managed to settle one major difference by agreeing to bandle the rescheduling in two stages with debt maturing in 1985 and 1986 handled first, leaving implementation of the agreement for following years until later. Banks had wanted to handle the deal on a serial basis, signing agreements for one year at a time, while Yngoslavia initially wanted all four years to be dealt with at once.

This agreement should have paved the way for a discussion on the actual interest margin at last week's talks. But although Mr Vlado Klemencic, Yugoslav Finance Minister, is expected to meet senior bankers informally during this week's International Monetary Fund meeting in Washington, speedy resumption of formal talks is not now expected.

Bankers fear this could delay IMF approval scheduled for April 29 of Yugoslavia's $300m standby credit as well as bilateral negotiations with government creditors who last month initialled an agreement tn reschedule about $1bn in debt maturing between January 1 this year and May 15, 1986.

OVERSEAS NEWS

Israeli coalition saved by single vote

BY DAVID LENNON IN TEL AVIV

THE BREAK-UP of Israel's broad-based National Unity Coalition was averted by ooe vote yesterday when the Cabinet agreed that Mr Ezer Weizman, Minister without Portfolio, should go to Cairo last night as the guest of the Egyptian Prime Minister.

The coalition bad been plunged into a major crisis on Sunday morning when the Cabinet voted against the trip at the urging of the right-wing Likud bloc which shares power with the Labour Party.

The immediate crisis may have been defused, but the unity of the seven-mooth-old coalition has been severely, and perhaps irreparably, damaged. The prestige of Mr Shimon Peres, the Labour Party Prime Minister, has also suffered a malor blow.

The prospects of the coalition surviving its four-year term in office are now considered to have dimmed. It is also believed unlikely that Labour will agree to hand over the premiershin to the Likud half way through the term, as specified in the coalition agreement.

The Likud objected to the Weizman trip on the grounds that, though hilled as a private visit, Mr Weizman lotended to conduct political negotiations during his meetings with Egyptian leaders.

At Sunday's Cabinet meeting, Likud mustered enough votes to block the trip. Mr Yitzhak Shamir, the Likud Vice-Premier and Foreign Minister, argued that negotiations with Egypt are the sole prerogative of his mintstry and demanded that the Weizman trip be postponed.

Mr Peres rejected this, insisting that after Mr Shamir had approved the trip last week the visit had been confirmed with the Egyptians. He made it clear that if Mr Weizman did not go to Cairo, the Government would be dissolved.

A two-hour meeting of the 10-member inner Cabinet yesterday morning failed to resolve the dispute when its discussions ended in deadlock, with five mioisters in favour of the trip and five against. Mr Peres then conducted a telephone poll of all 25 members of Cabinet and won approval for the journey by a vote of 13 to 12.

The narrow victory for Mr Peres over the right-wing Likud bloc in Cabinet was achieved by the decision of one member of a junior coalition party to support the trip after earlier abstaining.

Inflation rate up despite wages and prices pacts

BY OUR TEL AVIV CORRESPONDENT

ISRAEL'S inflation has begun to soar again, despite the Government's attempts to control it through wages and prices pacts with the unions and employers. Prices rose 40 per cent in the first quarter, the same as in the first three months of 1984, according to the Central Bureau nf Statistics.

During March retail prices rose a record 12.1 per cent, dashing the Government's hopes that the reduction in the rate of inflation in the previous four months signalled a real turnround in the trend of soaring prices which exceeded 440 per cent last year.

At the beginning of this month the Government negotiated a new two-month price freeze with the unions and the employers, but the evidence on that ground is that the freeze is being largely ignored by most sectors of the economy.

The unwelcome news about inflation comes on top of a gloomy report by the Treasury to the Cabinet on Sunday oo the prospects for improving the country's economic situation this year.

The officials told the Cabinet that even if the Government meets the budgetary targets set for the current fiscal year, this will bring only a very slight improvement in the situation.

In addition to hyper-inflation, the country is also suffering from a current account deficit of U.S.$5bn and declining foreign currency reserves

The Treasury officials, who are being pressed to enlarge budget for the Defence Ministry and for export subsidies warned the Cabinet that the ministers mst limit spending to within the boundaries set by the budget.

S. Africa to repeal race law on marriage

By Anthony Robinson in Johannesburg

A symbolic pillar of South Africa's discriminatory racial laws topped yesterday when the Government announced it would repeal legislation outlawing racially mixed marriages and sexual relations across the colour line.

Mr F. W. de Klerk, the Minister of Home Affairs, told parliament that the Government accepted the recommendations of the Badenborst Committee, composed of white, coloured and Asian members of the tricameral Parliament, which was set np to investigate the 1949 Prohibition of Mixed Marriages Act and the 1957 Immorality Act.

The committee recommended that the 1949 Act be removed from the statute book and that the crucial Article 16 of the Immorality Act, which forbids inter-racial sex, also be repealed. Neither could be justified on scriptural or other grounds, it added. Some 918 people have been convicted for illegal sexual relations under Article 16 in the past five years.

In what is likely to give grounds for further controversy, however, the committee stopped short of recommending changes in linked areas of apartheid legislation such as the Population Registration Act and the Group Areas Act which classify people on racial grounds and dictate where they can live.

"The committee is deeply aware that the place of residence of such a married couple is a sensitive matter in the South African community context," but, the committee added, "existing legislation and practice, particularly in relation to residential and educational rights and requirements, are capable, by administrative means, nf allowing the accommodation of racially mixed families."

This implies that vital decisions about which racially separated area mixed families can live in, and which racially segregated schools their children may attend, will remain with the apartheid bureaucracy and be settled on an ad hoc basis.

The latest move has been cautiously welcomed by liberal opinion and condemned as "an irresponsible step which endangers our national identity" by the right wing Conservative Party.

Mr Sheena Duncan, president of the Black Sash civil rights movement said: "The Black Sash welcomes any move which starts to break down apartheid laws, however small . . . it is nevertheless very disappointing that no amendments are contemplated to laws which enforce residental separation."

The legislation tn be repealed caused existing mixed marriages to be declared illegal, the children of snch unions to become illegitimate

Mary Frings reports on a beach resort designed to cater for Gulf tourists

Bahrain plans $175m holiday project

THE TOURIST attractions of Bahrain can be seen in a single day – perhaps two if the visitor is interested in archeology.

The hotels, swimming pools and a growing number of parks and playgrounds, although sufficient to entertain businessmen and weekenders, have rarely satisfied holidaymakers staying longer.

Even the abundance of sunshine and sand has failed to detain visitors for long because none of the big hotels – the Hilton, the Sheraton, the Regency Intercontinental and the THF Diplomat – can offer their guests a beach to relax on.

The Holiday Inn did once have its own patch of foreshore but it was never ideally situated, separated as it was from the hotel by a six-lane highway.

Bahrain hopes a planned west coast resort will change all that. "We want people from the Gulf to come here and have a good time. We want to create a family atmosphere," says Mr Tariq Al-Moayyed, the Information Minister.

The $175m project, which will turn a 2½-mile strip of coastline at Zallaq into a luxury hotel and beach complex, should go some way to satisfying the needs of Gulf tourists.

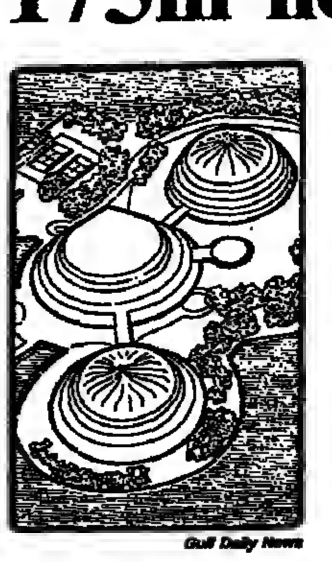
It has also been given added significance by the likely completion this year of the Saudi-Bahrain causeway.

Dutch contractors Ballast Nedam are due to hand over the causeway in December. The work is on schedule but the opening is likely to be delayed by the failure to award link-road contracts. So it could be the end of next year before cars start pouring across.

By then, tha Zallaq project will be under construction and visitors will have something new to look forward to.

The Bahrain Central Municipal Council has granted exclusive rights to form a development company to a local consortium and has said the site for the project will be leased to the developers for 25 years.

The consortium comprises Unitraco WLL and Transitec Gulf WLL



Gulf Daily News

– both members of the Unitag Group in which the ruling Al Khalifa family has an important interest – together with Projects SA which is owned by another branch of the family.

The resort complex was designed by project managers Alistair McCowan and Partners, a locally-incorporated group of consulting engineers. The group, which completed a feasibility study last year, is a division of Alison and Hutchinson and Partners International of Edinburgh, Scotland.

A significant part of the estimated $175m cost of the project is to be financed from equity, and local and overseas investors will be invited to participate. A prospectus is being prepared by a West German investment consultant, Dr Wolfgang Fahrenkamp.

Interest has already been shown by investors in Saudi Arabia and other countries, including Britain. Tarmac Overseas, the UK construction company, is playing a major role in the project.

In the 1970s Tarmac unsuccessfully launched the MOD-L industrialised housing system in Bahrain in joint venture with A A Nass, a local contractor. Now the partnership is being revived and Tarmac-Nass will act as managing and general contractor for construction of the Zallaq project. It will also take a substandial equity share in the development company.

Construction of the Zallaq complex is expected to start early next year and to take three years to complete.

The present design plans, which may be modified by financial and practical considerations, include a luxury hotel complex on a man-made island, a variety of beach villas and chalets, a large marina with condominiums, catering and boat maintenance facilities, and air-conditioned monorail links between sections of the complex.

The most popular attraction is likely to be what the promoters describe as n "theme park" – not a Disneyland, which is intrinsically American, but a funfair and amusement park

Although the promoters of the Zallaq project clearly hope it will figure on world tour operators' programmes, the cost of air travel to the Gulf and a fairly restrictive immigration policy make it more likely that customers will come from the surrounding states.

Gandhi invites investment in key areas

BY K. K. SHARMA IN NEW DELHI

INDIA'S Prime Minister, Mr Rajiv Gandhi, yesterday invited foreign investment in key sectors of the country, in particular, areas such as energy, communications, transport, agricultural technology and education.

Mr Gandhi was speaking to leading businessmen from 27 countries who have been brought to New Delhi by the European Management Forum for a rouod-table discussion on the Indian economy and prospects for investment. They first heard Mr Gandhi for about half an hour and then held a question-and-answer session with him.

The Prime Minister indicated that the economy was being opened up and encouragement givan to private enterprise, which would include foreigners provided India's objectives of self-reliance, equity and social justice were not affected.

Mr Gandhi said India offered a massive market for consumer goods and its industry was willing to adapt tn the technological changes that foreigners might want. In addition, there were many areas io which foreign companies could play a supportive role.

He particularly mentioned electronics as a sector in which his Government had totally changed policy and welcomed investment by foreign companies in key areas to enable India to catch up with the rest of the world.

One Indication of the size of the Indian market, Mr Gandhi said, was that when import of colour television sets was allowed by the Government a couple of years ago, India was able to import every single set available in the world market at the time.

Mr Gandhi said that full scope would be given to the development of enterprise in Iodia. This was "a high priority area," be said.

PRESIDENT BANDA TO HOLD TALKS WITH THATCHER

Malawi's leader arrives for state visit

BY MICHAEL HOLMAN, RECENTLY IN BLANTYRE

PRESIDENT Kamuzu Banda, detained some 27 years ago by the British colonial authorities when campaigning for Malawi's independence and the dissolution of the Central African Federation (which grouped Malawi, Zambia and Zimbabwe), is due to arrive in Britain today on a state visit.

Since winning independence in 1964, Dr Banda, pro-Western and staunchly anti-Communist, has established himself as one of Africa's most remarkable leaders. He stressed the importance of agriculture at a time when the sector was being neglected or mismanaged in many other African states, has infuriated his counterparts on the continent by advocating dialogue with South Africa, rather than confrontation, and stamped his authority on Malawi in a highly individual style which tolerates no opposition.

Shortly before leaving for Britain, Dr Banda, who has no high regard for the press, agreed to a rare interview but on strict conditions. Several questions dealing with current issues were in advance ruled out of order, including those covering relations with South Africa (Malawi's main trading partner), and conditions in neighbouring Mozambique, where rebel activity has cut off access to the traditional Indian Ocean ports of Nacala and Beira and forced laodlocked Malawi to use costly alternatives through South Africa and Tanzania.

The interview — or "audiance," as his officials termed it — took place in a panelled chamber within the imposing Sanjika Palace, set atop a hill of the same name overlooking Blantyre, the country's main commercial centre.

Despite his 80 or more years, the "Ngwazi" (saviour) as he is known to the 6m Malawians, looked fit and alert, vividly recalling his battles of the colonial era, scathing in his denunciation of state-owned farms in the rest of Africa, and confident that the economic difficulties which beset Malawi in the late 1970s were ending.

Last year Malawi recorded a 7.6 per cent real growth in gross domestic product, thanks in part to high tea prices and exports of stockpiled tobacco, the two crops which accounted for 71 per cent of foreign exchange earnings last year. For the third successive year, Malawi also exported its maize surplus to drought-stricken neighbours.

Malawi's achievements since independence have been twofold, said the president: "Unity and the improvement of the standard of living of the people." Before he returned in 1958 to Malawi from Ghana, where he had a medical practice, Dr Banda said he had told his supporters: "I do not want to live among a collection of quarrelling tribes." Tribal divisions of the past had ended, he said, and people were now better clothed, fed and housed.

The agricultural portfolio is one of several that the President holds. "If I have any message or lesson (on agriculture) it is this: in Africa it is absolute stupidity to use state agriculture. It must be ordinary farmers, individualism . . . the small farmer is my main concern, and I must see to it that he is supplied with whatever is needed."

Relations with Britain, the country's leading bilateral donor, have always been cordial and officials on both sides expect the visit to confirm the ties rather than break new ground. But Dr Banda is likely in the course of talks he is due to hold with Mrs Margaret Thatcher to stress the high price Malawi is paying for disrupted transport links, and express his concern that the year-old non-aggression pact between South Africa and Mozambique has failed to bring the benefits Malawi hoped for.

South Africa's support for the Mozambique National Resistance (MNR) was due to end under the pact, but officials in Maputo have alleged that links between the MNR and the South African military have not ended.

Malawi survey, Pages 13-17

China eases line on U.S. warships

CHINA said yesterday that U.S. conventionally-powered warships could make a planned call at a Chinese port but it avoided mention of whether they would or would not carry nuclear arms, Reuter reports from Peking.

The statement seemed to back down from controversial remarks by Communist Party Chief Hu Yaohank last week when he said there had been an understanding between the U.S. and China that nuclear arms would not be carried.

Those remarks were in direct contrast to aWshington's refusal to tell New Zealand whether U.S. warships had nuclear arms, and the U.S. later denled it had given such a guarantee.

Hu is now on a visit to Australia. Yesterday's statement, issued by the Cinese embassies in Canberra and Wellington and carried by the state-run New China News Agency, said: "U.S. conventionally-powered naval vessels may call at a Chinese port on an informal ceremonial visit."

It added without elaboration: "This is a matter solely between China and the U.S. and there are questions remaining tn be settled between the two sides."

Hn told reporters before he left Peking for Australia that Washington had agreed to send conventional warships when the U.S. Navy makes it first port call in China since 1949.

BL Ital project for Pakistan faces collapse

BY JOHN ELLIOTT IN MADRAS

PLANS for the transfer of Britiab Leyland's production line of the Morris Ital from the UK to Pakistan have virtually collapsed following months of delays in obtaining approvals for the project from the Pakistan Government and banks.

The deal would have earned BL's Austin Rover group over £20m for the sale of knocked-down kits of the Ital, production eqnipment, technical assistance and spare parts. But the production line in the UK has been broken up during the past few weeks and would be costly to reassemble to produce kits for shipment to Pakistan.

"This project is dead. I wrote to President Zia in Pakistan in January, warning him this would happen and there has been no ehange," Mr Harold Musgrove. chairman of Austin Rover, said yesterday in Madras, where be was attending the launching of a locally-produced Rover 2000.

BL's Pakistan partner, Associated Agencies of Lahore, is trying to rescue the Ital project. But it seems that only a financially-backed appeal from either the Pakistan Government or the British Government for BL to go abead could changa the situation.

BL believes the British Government has shown little interest in the project and the Export Credits Guarantee Department has refused to belp rescue it with a £4m guarantee.

Outline agreement for BL to ship its Ital production line to Pakistan was reached 16 months ago. The Indian Government bas already rejected the Ital in favour of a link-up with Suzuki for a more modern 800cc car. But the Pakistan Government was attracted by the 1.8 litre Italy and President Zia wanted it to modernise the country's fleets of taxis.

Last August Mr Musgrove met President Zia in Islamabad and an attempt was mounted to ensure the project went ahead.

A Sandi Arabian car leasing company, Hanco, was hrought in to take 31 per cent of £10m to £11m equity, replacing an earlier Middle East partner who had withdrawn. BL agreed to take 18 to 20 per cent, Associated Agencies of Lahore 36 per cent and 15 per cent would bave been sold to tha public.

But Associated was behind with debt repayments to Pakistan's natioonalised banks because of cash flow problems in another of its companies which produces IMT tractors from Yugoslavia.

This caused delays in obtaining banking approvals and left a financing gap of £4m. It also enabled Pakistan's puhlic sector motor industry to increase its campaign against sucb a project taking place in the private sector.

The UK's ECGD refused to help hridge the £4m gap and the recent changes in Pakistan's Government following elections and appointment of new ministers slowed down final approvals.

Sri Lanka requests £45m aid to build power station

BY OUR NEW DELHI CORRESPONDENT

SRI LANKA is asking the UK to provide aid of up to £45m for construction of a £260m hydro-electric and power station called Samanalwaewa by Balfour Beatty and GEC of the UK, to France and Japan.

Mrs Margaret Thatcher, the British Prime Minister, was formally asked on Saturday for a first tranche of £10m to £15m, to be allocated out of new aid of £20m, which she announced the UK was to give Sri Lanka.

The request came at the end of her two-day visit to the island where sheopened the Victoria Dam built by Balfour, GEC and otber British companies with £115m of UK aid.

Mr Ronnie de Mel, Sri Lanka's Finance Minister, is in London this week to meet Mr Timothy Raison, British Minister of Overseas Development, for talks on the project.

The request is causing controversy in London where government departments are split on the issue. The Department of Trade and Industry is backing athe project because up to £60m would be spent on British equipment, bringing on estimated 8,000 man-years of work to the UK.

Much of this work might go to the proposed French and Japanese partners and to other countries if aid were not provided.

But Mr Raison's Overseas Development Administration (ODA) is arguing that the aid would be better spent on small scale projects such as mini hydroelectric plants for tea plantations, improving roads in Colombo and various natural resources projects.

The site is on the Walawa River well away from the main trouble spots of the Tamil ethnic violence. There is concern about the wisdom of the country starting another dam at this stage of its political and economic development, one it is still completing the gaint Mahaweli scheme of which the Victoria Dam forms part.

Balfour has put the package together after approaches from the Sri Lankan Government. Balfour bas linked up with Sir Alexander Gibb, consulting engineer on the Victoria Dam, as well as GEC.

Because it was clear the UK would not pnt up aid for the complete project, Alsthom Atlantique and Spie-Batignolles of France and a Japanese company have been brought in to attract aid from their countries.

Gatt members 'ready for new round of trade talks'

BY WILLIAM DULLFORCE IN GENEVA

MOVEMENT TOWARDS a new round of multilateral trade talks under the auspices of the General Agreement on Tariffs and Trade has passed the stage at which governments ask themselves whether talks are needed, Mr Arthur Dunkel, Gatt's director-general, said in Geneva yesterday.

"We are now getting into the substance of the new round," be added.

Mr Dunkel pointed ont that at last week's meeting of finance and trade ministers at the Organisation for Economic Co-operation and Development in Paris, 24 of the 91 members of Gatt, including the world's higgest trading nations, bad come out in favour of a new round.

In a communique after their meeting the OECD ministers declared unanimously that talks should hegin "as soon as possible" and that a preparatory meeting should be beld in Gatt to "reacb a broad consensus on subject matter and modalities."

Some countries wanted the talks to start early in 1986 bnt the 24 were not unanimous on this point.

Mr Dunkel said yesterday that dates were not so important as the expression by ministers of tha will to set the process of negotiation going.

He envisaged a preparatory meeting of senior officials before the end of the summer to be followed by a meeting of the Gatt ministerial council to launch the negotiations formally.

A further push towards the new round is expected to coma from finance ministers meeting in Washington this week at the interim and development committea meetings of the International Monetary Fund. A final commitment to the trade talks can he made at the world economic summit in Bonn on May 2 to 4.

China has $890m trade deficit in first quarter

CHINA suffered an $890m (£741m) trade deficit in 1985's first quarter aa imports jumped 54.4 per cent from the same period of 1984, the Government reported yesterday., AP reports from Peking.

Exports came to $5.15bn, 2.7 per cent more than in the same period last year, and imports reached $6.04bn, tha Foreign Trade Ministry said.

Leadlng tha import lncrease were colonr televisions, radio-recorders, washing machines and refrigerators, which rose 100 per cent in volume over the first quarter of 1984, the Ministry said in a statement reported by the official news agency Xinhua.

It said imports of machinery and electrical instruments rose 90 per cent, chemical fertiliser 41 per cent and rolled steel 25 per cent from the period a year earlier.

First-quarter exports included 1.36m tons of grain, 3.5 times the amount exported in the same period last year, and 61,000 tons of cotton, 35 per cent more, the report said.

● Christian Tyler writes: Chloride Group of the UK and Singer Products of the U.S. bave created a joint marketing company in the bope of winning business in China.

Tbe new company, Chloride Singer (China) aims to sell plant and technology.

Television without frontiers meets Dutch resistance

Raymond Snoddy reports on a Commission move to bring the Netherlands into line with the Treaty of Rome by lifting curbs on foreign advertising

THOSE NORMALLY good Europeens, the Dutch, have provoked the anger of tha EEC Commission for imposing "discriminatory" restrictions on foreign television programmes carried by satellite or cable.

The Commission has decided to ask the Dutch Government to drop restrictions preventing "advertisements on foreign programmes specifically aimed at the Dutch public" on the grounds that the restrictions are contrary to the Treaty of Rome. If the Dutch Government does not give way the issue will probahly he referred to the Court of Justice for adjudication.

The restrictions, in this case, prevent foreign programme distrihutors carrying advertisements in Dutch, giving prices in Dutch currency, giving addresses of commercial outlets in Holland or featuring products only available in the Netherlands.

To Mr Eelco Brinkman, the Dutch Culture Minister. "These restrictions serve to protect the general interest and are, in our view, not contrary to the provisions of the EEC treaty."

Dr Ulf Bruhann, one of the authors of Television Without Frontiers, the EEC Green Paper on the establishment of a common market for broadcasting, especially by cable and satellite, takes a different view.

"It's a clear case of discrimination," Dr Bruhann argues. By imposing different rules for Dutch hroadcasters and those of other EEC nations the Dutch are, he believes, erecting just the sort of barrier to the creation of a common market in broadcasting that be wants broken down.

The issues at stake between the Dutch Government and the Commission seem minor. But they encapsulate a complex range of industrial, cultural and national dilemmas across the whole Community as technology makes possible transborder television on a previously unimaginable scale.

The attempts by the Commission to harmonise national practiees to try to create a common market in programmes, particularly for the new media, are already causing controversy.

Until now, apart from seepage across frontiers, particularly in Belgium and Holland, hroadcasting has largely been a beavily regulated and often protected prerogative of individual national states.

This has led, for instance, to a wide range of different approaches to television advertising. The restrictions and lack of a free market in advertising, the Commission believes, limit the growth of trans-frontier advertising.

Mr Gijs de Vries, chairman of a European Parliamentary working party on Television Without Frontiers, believes that freedom of expression rules in the European Convention on Human Rights will mean that countless restrictions on advertising will have to go.

"Advertisements comparing products prohibited in, for example, Germany, France and Italy will be permissible. Belgium and Denmark will no longer be able to ban advertising from the television screen. Italy will no longer be able to restrict television advertising for boats, cruises and tours."

France, he added, would hava to lift constraints on a wide range of items which include calculators, computers and airlines.

Another formidable harrier to the creation of a common market in programmes is the complexity of copyright law, at the moment organised on the basis of rights in individual nations.

This creates even worse difficulties when programmes hroadcast from one nation are re-transmitted on the cable television system of another.

EEC members also still find it difficult to agree joint technical standards to try to create common markets for eqnipment. Despite unanimous hacking in the European Broadcasting Union for the British developed C-MAC standard for direct hroadcasting by satellite (DBS) neither France nor West Germany accepted it or seems likely to do so.

Despite such difficulties private enterprise has created eight new channels of cable television programmes, delivered by satellite in Europe since 1983, and more are on the way.

One of them, Mr Rupert Murdoch's general entertainment Sky Channel, is now available to more than 3m homes.

"Sky Channel has experienced different situations in every one of the 10 countries to which it is currently transmitting its programmes. In every case, however, it has beeo a matter of conforming to regulations rather than ignoring them," says Mr Patrick Cox, Sky's managing director.

The EEC Commission helieves many of such regulations and harriers should he hroken down, not just because hroadcasting is a strategic sector of the Community's service ecooomy but also because it is a powerful weapon for EEC integration.

The present legal position is complicated. The issue came to a head in Belgium over the legality of retransmitting advertising in foreign programmea on Belgian cable systems.

Although commercial television advertising is banned in Belgium, in practice a blind eye was turned to the retransmission of foreign advertisements on cable — until the public prosecutor in Liege brought the matter before the courts in a test case called the Debauve case.

The Debauve case went before the court of justice which, in its judgement, emphasised that the Treaty of Rome implied the abolition of discrimination against a provision of services oo the grounds of nationality or that the service originated in another member state.

But the court also made it clear that the disparity between the national laws on advertising wer ao great that the free movement of televised advertising could not be secured under Community law uotil the disparities were levelled out. That is the task the Commission is now tackling.

The Commission is now seeking a number of fundamental changes likely to be issued as directive.

It wants the rules on advertising to he harmonised. The aim, according to Dr Bruhann, will be "not to have a compilation of all the existing regulations but to get rid of as many as possible."

The minimum restrictions would probahly include a ban on tobacco advertising, special rules on how alcohol is advertised, a maximum of 20 per cent of advertising time and separation of advertising and programming content.

Copyright owners would lose the right to prohibit simultaneous cross-frontier broadcasting. But they would be entitled to "equitable compensation" which would be paid through the main copyright organisations.

Dr Bruhann accepts that the proposals may cause controversy in some countries, but rapid changes in technology are already making transborder television inevitable.

Even some fervent supporters of the European ideal are not sure that directives are the best way of creating a common market in hroadcasting.

Lord Thomson of Monifieth, chairman of the Independent Broadcasting Authority and a former EEC Commissioner, suggested this month that member states might wish to contribute to European civilisation by preserving their own national identity.

"I think my former colleagues in Brussels would be well advised to concentrate on creating a monetary community, or a technological community or on breaking down the international barriers to trade rather than the more elusive issues of seeking to integrate European broadcasting practices," Lord Thomson said.

This is the eighth in the series on European market liberalisation. The previous articles appeared on February 14, February 21, March 6, March 13, March 22, April 1 and April 4.

Early results give victory to Garcia in Peru elections

BY DOREEN GILLESPIE IN LIMA

SR ALAN GARCIA, the 35-year-old candidate for the centre left Apra Party, is virtually certain to be Peru's next President after winning 48 per cent of the votes in Sunday's general election, according to unofficial projections.

His nearest rival is Lima's mayor, Sr Alfonso Barrantes, the candidate for a coalition of eight Marxist parties. The projections give Sr Barrantes 22 per cent of the vote.

Early results also give Apra a majority in Congress followed by the United Left party.

The Apra Party, founded 60 years ago as a radical nationalistic party and banned for half its existence, has never won power in its own right before.

Projections are thought to be close enough to final results to rule out any possibility of Sr Garcia gaining more than the 50 per cent of the votes required for an outright victory. A second round will probably be held with Sr Barrantes in June.

Sr Garcia, who grew up in the Apra Party and was groomed for power by its founder, Sr Victor Raul Haya de la Torre, has been the party's general secretary since 1982.

His campaign, in which he calls for national consensus to confront issues such as subversion by the Maoist Sendero Luminoso guerrilla organisation and to deal with the multibillion dollar foreign debt problem, has been aimed at attracting uncommitted voters to swell the Apra vote. The elections have been a complete defeat for the governing Acclo Popular Party which won only an estimated 5 per cent of the total vote.

General Dynamics denies fraud in U.S. Navy deals

A TOP official of General Dynamics yesterday denied his company was guilty of any fraud or wrongdoing on contracts with the U.S. Navy for attack submarines, Reuter reports from Washington.

Mr Gordon MacDonald, executive vice-president, told a congressional joint economic committee his company thought it was justified in submitting claims to the Navy for cost overruns caused by delays.

The case was settled at a cost $359m (£277m) to General Dynamics, Mr MacDonald said.

Senator William Proxmire, a Wisconsin Democrat, said a substantial case has been made that General Dynamics gave false information to the Navy, kept two sets of records and failed to disclose financial information to its stockholders and the public.

"It seems General Dynamics deceived the Navy," Senator Proxmire said.

But Mr MacDonald said a thorough review of the case by the Justice Department had found no basis for a fraud prosecution.

Referring to the claims against the Navy, Mr MacDonald said: "They were entirely justified and not fraudulent in any respect."

Medical bulletins on Neves halted

By Andrew Whitley in Rio de Janeiro and Ann Charters in Sao Paulo

TENSION WAS running high in Brazil yesterday as the entire nation watched and waited for definitive news about Sr Tancredo Neves, the dying president-elect.

In a signal that the end may be near, the release of official medical bulletins—previously issued several times a day—was halted yesterday morning and replaced by background briefings from Sr Antonio Britto, the presidential spokesman.

Preliminary funer al arrangements are being discreetly made for the man who could have been Brazil's most popular president for decades but who, by a sad irony of fate, ended up missing his own inauguration by a few hours when he had to be rushed to hospital.

Most likely, Sr Neve's body will be taken to Brasilia for the prescribed period of formal last respects and then to Sao Joao del Rei, his birthplace in Minas Gerais, for a family burial. But these plans may be threatened by an unseemly quarrel going on between the state governors of Minas Gerais and Sao Paulo over the honour of hosting the wake.

On Sunday, as the medical outlook for the president elect drew progressively gloomier, acting president Sr Jose Sarney summoned the entire cabinet to Brasilia.

No reason was give nin public, but the intention is understood to have been for the month-old civilian government to be able to show a common front to a public traditionally sceptical over the strength of the country's institutions.

Anthony Moreton reports on the fight against rising imports

U.S. textiles empire strikes back

EARLY this month, a letter arrived on the desk of the chairman of the American Apparel Manufacturers' Association (AAMA) in Washington from the Green Bengal Garments company of Dhaka seeking his help.

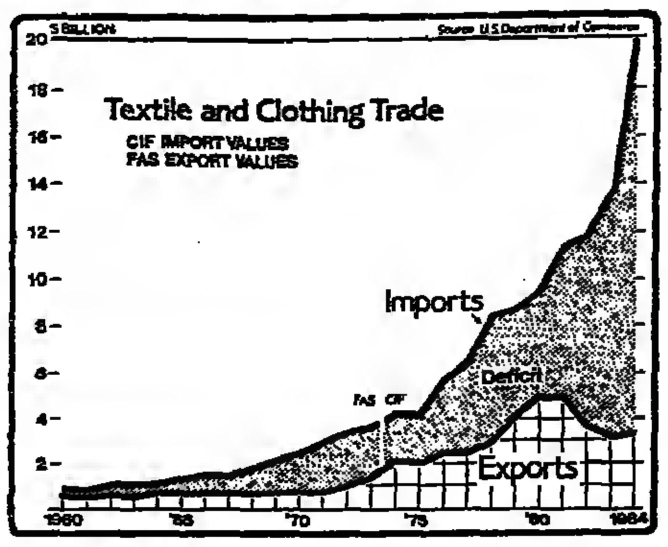
Mr Abdul Mye, the Bangladeshi company's managing director, asked to be put in touch with American clothes' manufacturers. "Our factory is equipped with most modern and sophisticated machinery," Mr Mye wrote, "and manned by highly skilled workman (*sic*). We shall be grateful, if you are kind enough to assist in matching us with the interested parties in your country."

Mr Mye had chosen the wrong time to write to the wrong person. If there is one thing the association is dedicated to, it is keeping the Mr Myes and their clothes from the Far East out of the U.S. as a rising tide of imports of fabrics and clothes, drawn in by the strong dollar, threatens to swamp the market.

The U.S. textiles and garments industries are in a state of deep depression. There is a real fear in both the AAMA and the American Textile Manufacturers' Institute (ATMI) that the massive industries, which employ over 2m people and include some of the world's biggest commercial names, such as Du Pont, Monsanto, Burlington, Celanese and West Point-Pepperell, could be decimated.

How can they compete, they ask, with such countries as China, whose workers earn in a year only a little more than a millworker in Greensboro, South Carolina, or Wilmington, Delaware, gets in a week?

Imports of textiles and clothes from foreign sources last year rose by a staggering 32 per cent by value and 21 per cent by volume, compared with 1983. And 1983 had itself been a bad year, recording a 25 per cent volume rise.



At one time the U.S. was concerned only with the Far East and Latin America. But last year, as the dollar climbed almost without interruption, imports began to surge in from Europe, with Italy pushing up its sales by 82 per cent by volume and France, Britain and West Germany all recording very large rises.

The result was that the U.S. payments deficit on textiles and apparel rose by 53 per cent to $16.4bn (£13.12bn). Ten years ago it was just $2.1bn.

Small wonder that in an effort to save the seepage of jobs—234,000 vanished between 1979 and 1984—the empire has struck back.

The two associations have joined the unions and other trade groups to form the Fibre, Fabric and Apparel Coalition for Trade (FACT) to push a Bill through Congress that would, in the words of Mr George Wino, chief economist at the AMTI, "roll back the flow of cheap foreign imports."

Textile production in the U.S. in the early months of this year is "already running 15 per cent down on 12 months ago," he said. "Forward orders have fallen 21 per cent and we simply cannot afford to stand back and watch American industry die."

"The record level of imports is equivalent to a million American jobs," according to Mr James Martin Jr, president of ATMI and vice-chairman of T-Caro, a Gastonia, North Carolina, fibre producer.

"Each month more plants are closing or cutting back, and more jobs are being lost."

Last year, the industries spent $1.7bn on modernisation and in the five years between 1980 and 1984 they spent $8bn.

Despite this spending, Mr Carl Priestland, chief enocomist of AAMA, says the industry is at a crossroads. "We stop imports coming from one country and we find we pick them up from another.

"We stopped China and picked up Indonesia. We stopped Indonesia and picked up Bangladesh. We want a better balance so that imports do not inundate us. If we don't, we shall lose another 200,000 to 300,000 workers."

The main thrust of the trade protection Bill sponsored by FACT is aimed at Taiwan, South Korea, Hong Kong, China, Japan, Pakistan, Indonesia, India, the Philippines, Thailand, Brazil, Singapore and Sri Lanka.

But it would also seek to rein back the lesser exporters, some of whose sales to the U.S. jumped by staggering proportions in 1984. Turkey, for

Despite impressive support for the FACT-sponsired Bill in Congress, the chances of the Bill becoming an Act are slim. The Administration is committed to more liberalism in trade and to back any restrictive measures would be to undermine assurances President Ronald Reagan has given over the past two years at Western summit meetings.

Given this opposition, the FACT Bill is probably aimed not so much at choking present imports as at putting pressure on the Administration to produce a tougher Multi Fibre Arrangement (MFA), the world agreement which regulates a large part of textiles trade, when it runs out in the middle of next year.

But the U.S. industry believes any dismantling of trade barriers would lead to high unemployment and bankruptcies and FACT has a lot of money at its disposal—at least $3m a year, it is thought.

Ironically, despite the surge of imports, the U.S. has probably suffered less from the effects of Far Eastern imports than Europe did between 1979 and 1984.

What matters, though, is how Washington thinks it has been affected. The U.S. industry has managed to raise such a large amount of money to back its campaign because it has convinced so many people that it has been very badly hit indeed.

Washington steps up bid for aid to contras

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT Ronald Reagan's "secret war" in Nicaragua moved sharply back to the forefront of U.S. politics yesterday as both he and his opponents began a week of frenetic lobbying over his plans for renewed aid to the anti-Government "contra" rebels.

Both sides were raising the stakes to make the aid plan the focal point of a far-reaching debate on the Administration's foreign policies and its worldwide standing on war and peace issues.

At the centre of the argument is Mr Reagan's request for $14m (£10.8m) for the "contras," initially for non-military purposes during a ceasefire in which he has called for negotiations between the rebels and the Sandinista Government. If there were no progress in the negotiations after 60 days, the rebels could use the money for weapons and military supplies.

The extent of Mr Reagan's difficulty in winning the funds from a reluctant Congress was underlined by the latest Gallup opinion poll, which showed only 26 per cent support among Americans for his Nicaragua policy in March, against a 56 per cent approval rating for his overall conduct of the Presidency.

On Capitol Hill, White House officials claimed a narrow majority in favour of the plan in the Republican-controlled Senate, which is due to vote on April 23, and said that they were only six to ten votes short of victory in the Democrat-led House of Representatives.

Mr Reagan's opponents, however, said that the contest in the Senate was more or less even and that he was much further behind in the House.

Mr Reagan planned to open the week's campaigning with a major speech to a Nicaraguan refugee fund dinner last night and then concentrate on direct appeals to members of Congress in a replay of the high-pressure tactics that brought him a narrow victory for his MX missile programme at the end of last month. Both sides planned a series of demonstrations, mail and telephone campaigns and other high-profile lobbying activities.

Shuttle astronauts in bid to mend satellite

BY PETER MARSH IN HOUSTON

TWO U.S. astronauts on the space shuttle Discovery are today due to start repairing a minor fault on an $80m (£62m) satellite that has left the craft drifting uselessly 200 miles above the earth.

The Leasat-III satellite, built by Hughes and due to be leased to the U.S. Navy, is lifeless after a small switch failed to operate during its release from Discovery over the weekend.

For the National Aeronautics and Space Administration (Nasa), the operator of the U.S's space shuttle fleet, the affair is yet another embarrassment, following failures with releasing three other satellites during shuttle flights over the past two years.

The fault is the responsibility of Hughes which built the mechanism that was supposed to switch on Leasat as it rolled out of the shuttle's cargo bay.

Today Jeff Hoffman and David Griggs, two of Discovery's seven-strong crew, are due to strap on a makeshift tool to the end of the shuttle's remote manipulator arm.

On Wednesday, the astronauts will attempt to manoeuvre the arm close enough to the ailing spacecraft to flick on the switch as it rotates slowly at about two revolutions a minute.

Canada proposes financial changes

By Bernard Simon in Toronto

THE CANADIAN Government has proposed creating a new type of financial holding company as part of the gradual deregulation of competition among the country's different groups of financial institutions.

In a report published yesterday, the Government says the proposals are designed to give financial institutions greater scope for offering diverse financial services, while tightening consumer protection and placing stricter controls on transactions among companies having shareholders in common.

The report will be referred to a parliamentary committee for detailed study. Legislation is unlikely to be passed before early 1986.

The proposals would allow different types of financial institutions, including banks, trust companies, securities firms and insurers, to be commonly owned by a financial holding company. Mutual

It appears, however, that Canada's large chartered banks and foreign banks operating in the country will not be able to form holding companies as a means of diversifying their business.

Central America peace hopes rise

By Hugh O'Shaughnessy

HOPES for peace in Central America have risen slightly this week following news that the Contadora peace process is to resume next month and that there could be talks between government and insurgents in El Salvador.

The Contadora talks which restarted in Panama City last week after a serious diplomatic crisis earlier this year between Nicaragua and Costa Rica are to restart in the first fortnight of next month, according to Sr Ricardo Valero, the Mexican Deputy Foreign Minister.

The search will be continued for ways of verifying that the five Central American signatories of the treaty, drawn up by the four Contadora powers (Mexico, Panama, Venezuela and Colombia), observe their commitments.

In El Salvador President Duarte has apparently left open the possibility of a third round of talks between his government and the opposition FMLN-FDR guerrillas.

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UK NEWS

Disputed union ballot 'likely to be re-run'

BY PHILIP BASSETT, LABOUR CORRESPONDENT

MR MOSS EVANS, leader of the Transport and General Workers' Union (TGWU), Britain's largest with more than 1.5m members, accepted yesterday that a re-run looked likely in the disputed ballot for the union's general secretary.

Allegations of ballot-rigging were made within the union after Mr Ron Todd, a left-winger, won a narrow victory over Mr George Wright, a moderate who is the union's Welsh secretary.

Backers of Mr Wright believe, however, that there is little support for his call to re-run the election. Some leading right-wingers in the union who were among Mr Wright's most active campaigners in the election last year, made clear yesterday that they thought Mr Wright's request for a fresh vote was both premature and ill-advised.

In a series of interviews yesterday, Mr Evans endorsed the idea of a fresh vote if it was thought necessary by the union's executive council, which he confirmed was likely to be recalled for an emergency meeting on the issue shortly.

Describing the ballot-rigging allegations as an "extremely serious crisis" in the union, the largest in the TUC and the Labour Party, Mr Evans said the TGWU would have to have a new ballot if necessary, though so far there was not sufficient evidence to warrant it.

Moss Evans: 'Need to clear our good name'

However, he added about his request to Mr Wright to provide evidence to support his call: "even if he doesn't, I would still say that we can't have this sort of cloud hanging over our head.

"The executive would have to give very serious consideration on what further steps we need to take in order to clear our good name."

This idea, already endorsed by Mr Ron Todd, seems to be emerging as the TGWU leadership's response to quell further allegations and their resulting damage to the union.

There is, though, some feeling in the TGWU that the executive should not be rushed into a re-run, and should stand firm by last year's vote.

Speaking at the annual conference of the Amalgamated Union of Engineering Workers in Eastbourne, Mr Terry Duffy, the union's president, asserted that the alleged ballot-rigging in the TGWU could never have happened under his union's own postal balloting system.

Peter Riddell, Political Editor, writes: The Social Democratic Party (SDP) has brought a full-page advertisement intoday's issue of the Sun newspaper to urge members of Sogat 82, the printing union, to vote 'No' in their ballot on whether or not to have a political fund.

The advertisement, specifically aimed at Sogat members, is part of the SDP's campaign against tha existence of such funds in the hope that a number of unions will vote no in the ballots over the coming year and so detach themselves from supporting the Labour Party.

It also states that if Sogat members have problems obtaining ballot papers they should contact the SDP which will try to help them obtain them in order to vote.

Executive fears censure

BY BRIAN GROOM, LABOUR STAFF

LEADERS OF the Amalgamated Union of Engineering Workers (AUEW) are trying to head off what they fear might be a humiliating censure over its decision to accept government money for postal ballot elections under trade union legislation.

As the annual two-week meeting of the AUEW's policy-making national committee opened in Eastbourne yesterday, the executive deferred a decision on how to tackle the issue until next Monday, and called on the standing orders committee not to allow it to be debated until then.

The union is to receive more than £1m from the Government to cover the cost of ballots held between March 1981 and September 1984, after members voted by 12 to 1 to accept the cash in a postal ballot, but a number of left-wing resolutions call for the money to be refused.

They argue that the decision should have been taken by the national committee. The executive fears that enough right-wingers will side with the left to give them a majority, and is buying time to try to shore up its position.

Mr Terry Duffy, the union president, hopes that the executive will support him in accepting the money even if the national committee votes not to do so, but at the very least that would cause an embarrassing constitutional wrangle.

The leadership's argument is that recent amalgamations meant that the policy-making body could not be reconstituted in time to make a decision before the Government's deadline for applying for the money, and under its rules the executive has the right to ballot members on crucial issues.

The union's decision to accept the Government's money is in defiance of Trades Union Congress (TUC) policy and in opposition to the existing national committee policy. Mr Duffy said yesterday that he was confident the TUC would not expel the AUEW. He said: "If there is an attempt to discipline us that could mean the demise of the TUC as we know it."

The executive decided that the union's ballot on whether to maintain a political fund under the Trade Union Act 1984 would begin on June 21.

It also decided to hold an inquiry into alleged irregularities in the election of a president of its Birmingham East district committee.

Syndicate faces 'loss of millions'

By John Moore, City Correspondent

MORE THAN 3,500 underwriting members of the Lloyd's, the London insurance market, are to be told in the next few days that an underwriting syndicate in which they are grouped is facing losses. According to underwriters in the Lloyd's market the losses are running into "millions of pounds."

The losses have arisen on an insurance syndicate number 417/418 managed by Merrett Syndicates, one of the largest independent underwriting agents at Lloyd's.

Later this week a meeting is expected to take place of underwriting agents who have introduced members of Lloyd's to the Merrett syndicate to explain the background to the losses.

It is understood that the losses arise to some extent from the syndicate's involvement in asbestosis business. The syndicate reinsured other underwriters an excess proportion of their business on asbestosis business.

Historically, the syndicate is one of the most profitable within the Lloyd's market and although the syndicate has been hit by the prospect of asbestosis losses the overall slump in profits will be offset to some extent by more profitable lines of business.

The syndicate also faces a protracted dispute with the Inland Revenue. A committee of underwriting agents, including Mr Stephen Merrett, head of the Merrett organisation, are planning to use syndicate 417/418 to challenge the Inland Revenue's present dispute with the whole of the Lloyd's market over the commercial purpose of certain insurance arrangements.

Shares of the Merrett organisation are held by a number of shareholders outside the market after a successful private placing of the group's equity nearly four years ago. If the overall profitability of the syndicate falls, the Merrett Syndicates is also likely to see a fall in profit commissions.

Mr Ken Randall, managing director of the Merrett organisation, said yesterday that the "final numbers" on the losses were still to be calculated.

Manufacturing profits show rapid recovery

BY IAN RODGER

PROFITS of British manufacturing companies have recovered rapidly in the past two years, but real rates of return are still well below those in other leading industrial countries, according to a study published by DRI Europe, the consulting group.

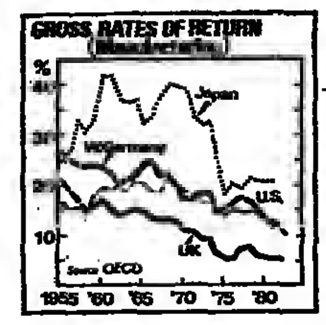
This means that companies may continue to find investment opportunities elsewhere more attractive than those in the UK, Mr Paul Cockle writes in the latest DRI European Review.

Using an OECD data series, Mr Cockle finds that the profitability of British manufacturing fell further and faster between 1955 and 1982 than in any other leading industrial country.

The gross real rates of return on fixed assets declined in Britain at an average annual rate of 4.6 per cent in this period compared with average annual declines of only 1.5 per cent in the U.S. and 2.7 per cent in West Germany and Japan.

Mr Cockle estimates that the rate in Britain in the past two years had recovered by about 22 per cent a year, a good deal faster than in other European countries. "This augurs well for a more dynamic and entrepreneurial response from the corporate sector. The danger remains that corporate capital will be attracted abroad where the levels of profitability are still higher."

Mr Cockle says he is struck by the close correlation between investment and profit levels in European countries over the past 15 years, and suggests that there is a dynamic process by which lower profits lead managers in risk-averse companies to undermine their future by cutting investment spending.



"It might seem counter-productive for a company to opt for the negative route. However, senior managers might well not have to live with the consequences, given their average age and distance from retirement.

"At this lower rate, the resources need to close the gap on foreign competition are that much greater. The justification is not necessarily easier. The lower rate of return of the business as it stands does not make it such an attractive candidate for more funds."

The problem, he says, is to raise the proportion of value added going into profits.

"Recent proponents of cutting real wages to boost employment – equivalent to raising the share of value added going to profit – correctly argue that real wages are an outcome of economic interaction and not a policy lever," he adds.

Extel in Japanese deal

BY CHARLES BATCHELOR

EXTEL, the business information and advertising group, is to market Exshare, its international securities service, in Japan through Nihon Keizai Shimbun (NKS), one of the country's leading newspaper and broadcasting companies.

Exshare, a joint project set up in 1967 with Reuters, the international business information group, provides share price and company information on 80,000 securities traded on more than 50 stock exchanges.

Mr John Shapcott, sales director of Extel Computing, the Extel subsidiary set up to develop the Exshare service, said agreement was reached with NKS after four years of talks. Extel views the marketing link-up as a major breakthrough into the difficult Japanese market.

The deal is initially worth only Y4m (£12,700) to Extel, but the company expects to earn sizeable royalties as Japanese financial institutions start to use the service.

The Japanese demand for international stock market information reflects the growing trend for investment managers to place part of their portfolio on overseas stock markets, Extel said.

Exshare supplies information on shares and markets, selected on a daily or weekly basis, to a customers' mainframe, micro or personal computer. The data are intended for analytical or valuation work, but not for dealing purposes, to avoid competition with Reuters' own information services.

Exshare has already established distribution agreements with two companies in the U.S. and with a London-based distributor supplying data to Hong Kong and Singapore.

Citicorp in joint London venture

CITICORP of New York and NMW Computers, the UK's largest stock processing bureau, are to set up a new company to provide dealing and banking services for stockbrokers in the deregulated UK securities market, writes David Lascelles, Banking Correspondent.

The venture is the first of the new "clearing members" envisaged by the stock exchange as part of the revolution reshaping the London market. It also marks a further advance by the large U.S. banking group into the UK financial markets where it already has plans to buy two stockbrokers and a discount house, a dealer in promissory notes.

The new company will provide settlement and dealing facilities for stockbrokers who want to be spared the trouble and cost of setting up their own. It will be modelled on clearing companies which have operated successfully on Wall Street, like Pershing, the subsidiary of stockbrokers Donaldson Lufkin Jenrette.

The company will also supply its broker clients with banking products such as loans, foreign exchange, cash management and even credit cards.

This should enable smaller stockbroking firms to offer a range of financial services which competes with those of larger brokers who have become part of big UK and foreign banking groups and have access to such services through their parents.

Mr Nigel Banister, NMW's managing director, said his company has begun to investigate the clearing-member idea more than a year ago and had approached Citicorp as a possible partner because of the U.S. bank's experience.

He believed the service would enable small and medium-sized brokers to remain competitive after stock exchange controls are removed next year.

The new company will be independent of the two Citicorp brokers, Scrimgeour Kemp-Gee and Vickers da Costa, and will process other brokers' business confidentially. Yesterday's announcement said it would not act as a broker in its own right and would not compete with its broker users.

NMW was set up in 1972 by a group of regional UK stock exchanges as a computer bureau to process their business. It has grown rapidly and handles 40 per cent of all transactions on the London exchange.

Yesterday it reported a fall in pretax profits from £1.54m in 1983 to £1.28m in 1984, mainly because of heavy investment in new computer equipment.

□ SIR MICHAEL HAVERS, the Attorney General, rejected Labour calls to "ease off" on the prosecution of miners arrested during the coal dispute. Mr Nick Brown, a Labour spokesman on legal affairs, told the House of Commons that cases were still to be heard against more than 1,000 of the 7,917 miners charged with offences arising out of the year-long strike.

Most of the cases involved trivial charges against men with previously good records. He urged the Government to issue guidelines to prevent prosecutions which would be determental to respect for the law in mining areas.

Sir Michael said prosecutions were a matter for chief constables. He added, however, that dropping charges would not be conducive to the preservation of order in industrial disputes, although there were bound to be borderline cases in which prosecutions would not proceed.

□ BRITAIN was being reduced to a "cheap labour shoeshine economy" by Government policies, Mr Norman Willis, general secretary of the Trades Union Congress (TUC) told a House of Commons committee in a sharp attack on present economic strategy.

Claims that the recent budget would create jobs were a fraud he said. "The only jobs likely to arise are a few insecure ones on poverty wages."

□ THE GOVERNMENT is to issue guidelines outlining safeguards for children of surrogate mothers, Mr Norman Fowler the Social Services Secretary, told the House of Commons.

He was opening a debate on the Surrogacy Arrangements Bill, which outlaws commercial surrogacy agencies and provides penalties of three months' imprisonment or fines of up to £2,000 for anyone convicted of arranging a surrogate pregnancy for gain.

□ THORN EMI, the entertainment to electronics group, has appointed Mr Colin Southgate as managing director. He will be responsible for the company's day-to-day operations worldwide.

Mr Peter Laister, chairman and chief executive, said Mr Southgate would "be putting a great deal of effort into the short-term performance of the group." Thorn EMI is expected to produce poor figures for the financial year just ended.

□ PRODUCTION of aerosol sprays reached a record in the UK last year. Total production was lifted by 7.6 per cent to 626m units. Major growth areas were hairsprays, deodorants and insecticides.

Citicorp in joint London venture

UK NEWS

Home-loan groups lift bad debt provisions

By George Graham

BRITAIN'S leading building societies (home-loan associations) are substantially increasing their provisions for bad debts as housebuyers are hit by unemployment and economic difficulties.

The Halifax Building Society, the UK's largest, has raised its provision for mortgage losses by 50 per cent to £800,000.

It has also, for the first time, disclosed in its accounts that it is owed £2.20m in interest payments debited, but not yet paid.

The Abbey National, the second largest building society, has doubled its provision from £700,000 to £1.4m, while the Nationwide has nearly tripled its provision to £350,000. In 1983, total provision by all building societies was only £2m.

While the year-long miners' strike has increased mortgage arrears in some parts of the country, most societies agree that the general economic climate and high interest rates are the main culprits.

Building societies do not expect to realise losses in mining districts, because they have little incentive to repossess houses which they will not be able to sell.

A Building Societies Association report highlighted unemployment, matrimonial problems and financial mismanagement as the main causes of arrears.

Societies admit that in recent years they have been relaxing lending criteria which has, in turn, increased the risk that borrowers will run into difficulties.

● House buyers will soon be able to get a mortgage from their local post office. National Girobank, the banking subsidiary of the Post Office, is planning to enter the mortgage market as part of its long-term strategy of extending services.

Problems mount for troubled ECGD

Christian Tyler looks at the Export Credits Guarantee Department which is battling with the conflicting pressures of demands for an improved service and the Government's desire to cut costs.

UNTIL TWO or three years ago, the Exports Credits Guarantee Department (ECGD) was probably the least known, and least understood, of all government agencies. But financial losses, a £400m overdraft forecast to rise to £1bn, successive parliamentary reports and two management reviews have changed all that.

To cap it all, ECGD civil servants woke up last week to find their agency's name splashed all over the front page of a national newspaper in a story claiming that the department might have been defrauded to the tune of £200m.

It is little wonder that many of the 1,800 employees in London, Cardiff, Wales, and nine regional offices, feel under pressure.

"It's difficult for us to be dynamic at present," one said. "It's like being in a firm when the receiver's in." The suspected fraud which prompted the department to call in the police two months ago seems to be the least of their worries.

Officials say the figure of £200m is literally incredible. No one is saying much about the case, but it seems officials know of only a few million pounds' worth of fraudulent claims, possibly involving short-term buyer credit for Nigeria, a market notoriously attractive to corrupt traders.

The names of at least one company and of two men operating in London and alleged to be behind the fraud have recently been circulated. One or more banks registered in the UK, but not necessarily British, are also rumoured to be implicated.

The bulk of the department's export insurance work, including claims, is handled by 700 civil servants at Cardiff. Here, with the help of 250,000 company files – possibly the biggest storehouse of credit control secrets in the world – underwriters set 2,500 individual credit limits a week. At any one time, there are 10,000 applications for cover to be processed.

No fewer than 242 people are needed to tackle a mounting tide of claims because of the Third World debt crisis and a wave of company bankruptcies worldwide during the recent economic recession.

The staff find themselves victims of conflicting pressures. Exporters want a quicker service and more individually tailored policies; but the Treasury and House of Commons public accounts committee wants costs to be cut, underwriting tightened up, and persistently loss-making services phased out.

The department has been criticised for lack of modern communications systems, especially between London and Cardiff, for inadequate statistical data, and for insufficient monitoring systems. But the ECGD has had to reduce staff to meet lower budget ceilings set by central government, and has lacked the resources to modernise its computer system.

The department has about 40 vacancies, and staffing restraints are the main complaint of junior clerical officers, who say there is no time for training, insufficient specialisation, and lack of people to cover those who are on leave or are ill.

Yet, morale does not seem particularly low, and the calibre of staff, considering the low rates of civil service pay, is said to be remarkably high.

Managers claim it would be impossible to attract and retain people of such ability in London. For example, a clerical officer authorised to pay claims of up to £50,000 may be earning only £5,500 a year after five years' experience.

Many outside the department believe that most of the ECGD's problems would be solved if it were released from the civil service and allowed to pay rates more in line with the private sector.

That view is challenged in Cardiff, certainly by the civil service unions, who fear that job losses would result and by senior managers who deny that there is a chronic brain drain.

This and other questions have been dealt with in the latest review by senior ECGD officials, with the help of outside consultants from Coopers & Lybrand. That review is now on its way to ministers.

The team has kept its ideas secret, but some staff believe the review may recommend fundamental reforms – of operating structure, of the role of regional offices, and of pay and grading systems.

Others say it could propose the wider use of insurance brokers, who earn £2m-a-year placing business with the department, and a new kind of top management body.

Meanwhile, the department is pressing ahead with an overdue five-year computerisation programme.

Based on an IBM mainframe computer bought last year for £800,000, the system could cost anything between £12m and £30m.

IMPORTERS TURN ON PRESSURE IN HOME HEATING MARKET

Chill blast for radiator makers

BY RICHARD TOMKINS

A GLOOMY picture of the prospects for Britain's manufacturers of household radiators is painted in the latest quarterly bulletin of the Building Services Research and Information Association.

It says that exports are negligible and falling and imports – chiefly from Ireland and Belgium – have accelerated to the point where they are now taking a third of the domestic market.

The market in the UK is said to be stagnant and is forecast to decline. It was worth £133m last year; the association says it will fall to £120m this year and to £100m by the end of the decade.

The British radiator industry is highly compact, consisting of only six makers. Leading names are the Stelrad Group (owned by Metal Box), Thorn EMI Heating, and the Myson Group. The others are Thermal Radiators, NuRad and CHS Keeling.

Many of the industry's problems stem not from the recession but from the boom which preceded it.

Radiator making as big business is a recent development. It emerged in the late 1960s when the development of small gas-fired boilers and cheaper pressed-steel radiators in place of the old cast iron ones put central heating within the reach of an increasingly prosperous population.

Gradual sales growth turned into a boom in 1978-79 when an upsurge in demand for installations in homes coincided with a strong rise in housebuilding.

The nascent British radiator industry was caught unprepared and could not cope with demand. For other European manufacturers, however, the British boom could not have come at a better time.

By the late 1970s many of the European markets were approaching saturation point and the manufacturers, burdened with overcapacity, saw Britain as one of the few big markets left to exploit.

They flooded the market with imports, and in the two years to the end of 1979 their market share shot up from 12 per cent to 27 per cent.

Significantly, the importers have continued to increase their market share in spite of the downturn in sales during the recession and stagnation since. This is not because imported radiators are better. Although some makers claim to turn out a superior product, most agree that one pressed-steel radiator is very much like another, and that the key considerations are price and service.

British makers say their price competitiveness has suffered because of the overvaluation of sterling against European currencies. They also allege that European manufacturers have had unfair advantages either in the form of direct government subsidies or in the form of cheap subsidised steel, and that they have been practically dumping radiators on the British market.

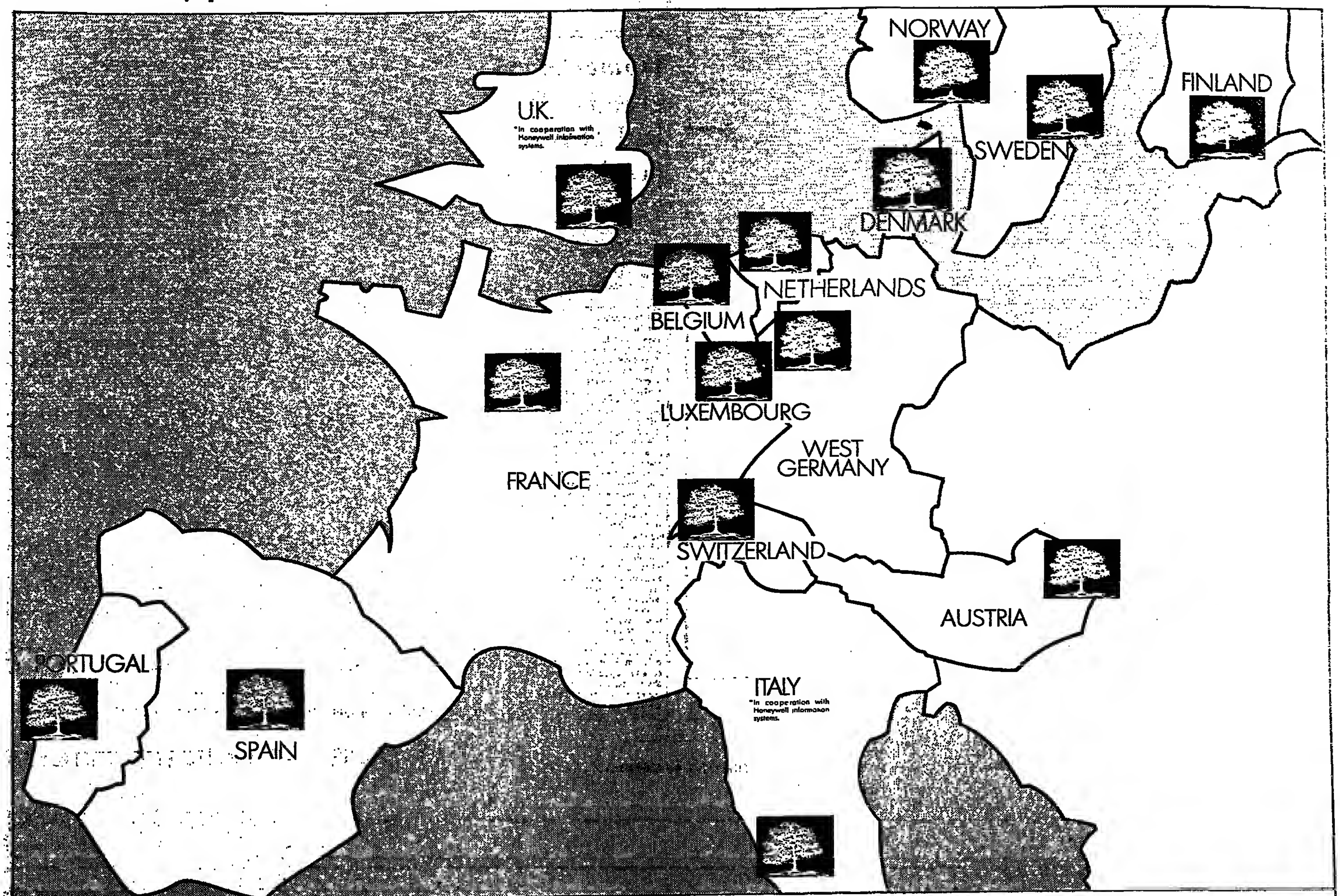
Importers angrily deny these allegations. They say the radiators sold by the leading importers sell at prices similar to British ones, and thus compete on level terms.

One of the biggest importers is Warmastyle, which is supplied by N. V. Veha of Belgium. Mr Bill Blamford, managing director, says: "Some of the British manufacturers offer crazy prices which we are very hard-pressed to meet, and then say it's all because of cheap imports that they are having to do it. It's utter rubbish."

Where the importers claim to score over the British manufacturers is in service. They say the British makers have a poor record for completing orders on time, whereas the big importers have built up a reputation for reliability.

Ireland accounts for 38 per cent of the radiator imports into Britain and Belgium for 36 per cent.

Statistics Bulletin; BSRIA, Old Bracknell Lane West, Bracknell, Berkshire RG12 4AH; £35 a year.



BULL COMPUTERS. EUROPE'S TREE OF COMMUNICATION.

BULL's tree symbolizes BULL's total commitment to communication and information systems.

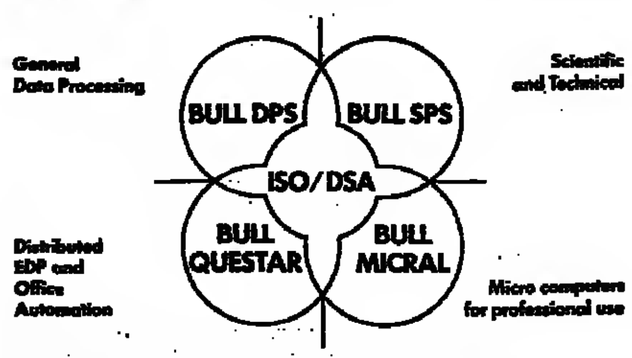
BULL - Freedom to choose in Europe

In order to improve its efficiency, European business must have the greatest possible choice in computer systems.
European users must also be certain that computer technology, the applications of which are essential to European competitivity, will always be deeply rooted in European soil, with no dependence on other countries.
This is why it is essential that European computer companies like BULL exist and grow.

BULL - A reliable alternative for Europe

BULL is the number 1 manufacturer of data processing and office automation systems in Europe.
With:
- Over 26,000 employees
- a strong presence in Europe and in the world-75 countries
- marketing products tailored to national requirements
- a revenue in 1984 of 13.6 billion French francs
- a 16.8 % increase in revenue from 1983 to 1984
- an investment of more than 18 % of revenue in research, development, and in industrial and commercial resources.

BULL offers integral, open solutions tailored for specific sectors:
- Open solutions: BULL's products, ranging from large and medium scale systems to micro computers, can be used in conjunction with other equipment.



- Integral solutions: hardware, software, applications and services.
- Market segment oriented solutions: tailored to the needs of specific professions and activities.

BULL software and application services are developed in keeping with a policy of cooperation with software houses.
BULL has developed an unmatched know how in designing communication systems in order to improve interaction at all levels, in any situation.
BULL quality program aims, above all, at satisfying the customers' need for reliability. In 1985, a total of 15,400 people will be trained, specifically for the quality program.

BULL - The Commitment to Europe

BULL's commitment to Europe is total. It is involved in 17 projects in the Esprit program, set up by the European Commission to aid International cooperation in information technology, and is taking a leading role in two of them.
One of these, the Esprit Information Exchange System, or EIES, in conjunction with GEC, ICL, Olivetti and Siemens, is a communication network for participants of Esprit. The second project is for the joint development of software engineering with the same group of companies as EIES, plus Nixdorf.
BULL is cooperating with other European companies to develop a unified set of standards. At the instigation of the European Commission, the twelve leading European information technology firms, AEG, BULL, CGE, GEC, ICL, Nixdorf, Olivetti, Philips, Plessey, Siemens, STET, and Thomson have formed the Standards Promotion and Applications Group, SPAG and have agreed on a common set of standards (OSI) for interconnecting their system. Another agreement involving six major firms (BULL, ICL, Nixdorf, Olivetti, Philips and Siemens) resulted in the formation of the Open Group for Unix System, for developing a common application software environment.
BULL's deep seated commitment to Europe doesn't end there. At the beginning of 1984 the European Computer Research Centre, ECRC, created jointly by BULL, ICL and Siemens, opened its doors in Munich. Its activities are intended to enhance the future competitive ability of the European information technology industry. The centre's field of activity covers the technologies needed to improve the process of machine assisted decision making.
At International level BULL has also built up a long-standing agreement with Honeywell, a deal with Ridge for the development, production and marketing of a range of scientific super minis, a technical agreement with Convergent Technologies for distributed EDP and office automation, and an arrangement with NEC which will lead to the introduction of a very large data processing system in order to complete its DPS 8/88 range running under BULL GCOS 8 operating system.

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Cooperation with its customers is, for BULL, the major element in obtaining the most effective solution. You and BULL, together, will find the answer to your particular problem.
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Meet BULL at the Hannover Fair: CeBIT Centrum HALLE 1, Stand 4902/5002

Bull

UK NEWS

Hearing for Lithgow claim

FINANCIAL TIMES REPORTER

THE SCOTT Lithgow shipyard in Scotland is to be added to the list of compensation cases to be heard by the European Court of Human Rights, bringing the claims of former *shareholders in the shipbuilding* and aircraft companies nationalised in 1977 to more than £600m (*$732m*).

That is in addition to the original compensation of some £130m paid to the claimants. The UK Department of Trade and Industry has already admitted that more may have to be paid out.

The European Human Rights Commission *has ruled that claims* from former shareholders in Scott Lithgow and its Scott Lithgow drydocks *subsidiary may* also be heard by the court.

Hearings on the claims now with the court are set for this June. No date *has yet been* fixed *for* Scott Lithgow, whose referral to the court was delayed by lengthy negotia*tions over the yard's valuation* when nationalised.

Scott Lithgow was formed in 1967 from the merger of the Scotts and Lithgow yards. At the time of nationalisation, Sir William Lithgow held just under half of the shares.

Sold last year by state-owned British Shipbuilders to Trafalgar House for £12m after it ran into heavy losses on oil rig construction, the Clydeside yard concentrates on the offshore sector.

Sir William is already seeking more compensation as a former large shareholder in John G. Kincaid, the marine engine-builder which is also now part of BS.

*Other applicants for higher com*pensation include Vosper, Vickers, Yarrow, General Electric and Prudential Assurance.

The admission that the Government realised it might have to pay out more came in a letter from Mr Jonathan Rickford, a Department of Trade legal official, to the U.S. Securities and Exchange Commission.

He wrote last November that the court was almost certain not to reverse the commission's ruling that *compensation* was required "but may go further and rule that we are bound to pay more than the compensation actually *granted*."

Mr Rickford, now head of the department's legal office, was writing to reassure the SEC over the flotation of shares in British Telecom, which the Labour Opposition has said it will re-nationalise.

Sir William referred angrily at the weekend to one passage in the letter, made public last week. Mr Rickford said Sir William claimed "that the compensation given to him in 1977 was inadequate and in breach of the (European Human Rights) Convention."

The present Government has declined to increase the payment *terms set by the Labour* Administration, arguing that retrospective legislation would be unfair to those *who sold shares on the basis of the* original terms.

Sue Cameron looks at the conflict created by the Transport Bill

En route for a clash over buses

TWO GOVERNMENT departments are set to clash over plans for privatising the National Bus Company (NBC) which operates provincial and rural services.

The conflict centres on whether National Bus *should* be sold off in large chunks or split into smaller companies that would be put on the market *individually*.

The Treasury is expected to back the first method — on the grounds *that NBC will fetch a much higher* price if it is sold as a single unit or divided into only a small number of parts.

The market value of NBC as a whole or as a mere handful of separate units is being put at £200m to £250m — although these figures assume that the company's *£151m* debt to the government would be written off.

But the Department of Transport, which is piloting bus deregulation legislation through parliament, is determined that NBC should be sold off in much smaller parcels.

Ministers and their *officials* argue that this will be the only way to ensure free and *fair* competition after deregulation.

They fear that NBC could main*tain its monopoly* position in certain areas if it were sold in overlarge slices. The Government might then lay itself open to charges that it had allowed state-owned monopolies to be handed over to the *private* sector.

The first hint of a dispute between the *Transport Department* and the Treasury has come from Mr David Mitchell, the junior transport *minister* who is responsible for the current Transport Bill that will deregulate buses.

In a trade press interview, Mr Mitchell is quoted as saying there was "bound to be a *difference* of emphasis on privatisation of NBC between the Department of Transport, which sought to ensure maximum competition, and the Treasury, aiming to maximise the return to the *taxpayer*."

In Whitehall's subtle language, however, phrases such as a "difference of emphasis" tend to be used to paper over fundamental disagreements. *Mr Mitchell, however*, went on to say — in optimistic vein — that he was sure "a sensible final position" would be achieved.

A final decision on how NBC *should* be privatised is still a long way away. NBC itself does not have to put forward formal proposals on how it should be sold off until three months after the Bill becomes law, which is expected towards the end of this year.

The timescale was *highlighted* by the Department of Transport at the end of last week. The department denied that there was *any row* between itself and the Treasury, but was careful to point out that the method of privatising *NBC* had *not* been finalised.

But if battle lines are drawn, National Bus is *almost* certain to support the Treasury. It is not opposing privatisation but it has also made clear *that it is desperately* anxious to avoid complete fragmentation.

It has suggested that it should be *split into four separate* companies, operating in various parts of the country. The aim would be to give economies of scale on overheads yet avoid a monopoly in any market.

NBC has some 50 operating companies in all, ranging in size from *North* Devon which runs 64 buses, to London Country which has 1,100.

Last year 17 of the operating companies made losses. Others depend heavily on local authority *grants. They could* lose this revenue support under the tendering system that is to be introduced after deregulation for unprofitable but socially necessary bus routes.

Mr Kenneth Long, an analyst with *stockbroker* Grieveson Grant, estimates that if NBC were sold in small lots the Government *could* expect to raise "only £100m to £150m — if it was lucky."

He said that if *NBC* was split *into* 50 or *even* 30 *smaller* companies, some of them might even fail to attract potential buyers. *This* would act as a "tremendous drug" on the market for the more profitable sections of NBC.

Transport *ministers* have considered the possibility of management/employee buyouts for some parts of *NBC* and they have made clear they would tend to favour them.

Mr Long stressed, however, that employees would be the last people to bid for unprofitable bus companies because they would know "exactly how bad" they were.

The planned *sale* of NBC is likely to present the Government with a major dilemma. The Transport Bill *is designed* to introduce greater competition

Yet it has *aroused considerable* controversy and has been attacked on many grounds — not least because of fears that it may lead to some bus services being cut, notably in country areas.

Coal board to restore summer price cuts

BY MAURICE SAMUELSON

THE NATIONAL Coal Board (NCB) is to cut prices of *domestic* coal to encourage stock building by householders during the summer months.

A *summer pricing scheme*, under which wholesale prices are reduced between May and July, was cancelled last year because of the miners' strike.

In restoring the scheme *the* NCB hopes to recover some of the market it lost to imports of domestic *fuel*, particularly from Poland and the U.S.

The coal *strike* is also reported to have hit sales of solid fuel central heating systems. A survey by the *London-based Market Assessments* publication claims that there was a 6 per cent drop last year in installations of new coal-fired systems as a result of the strike.

The strike, together with government policy of cutting new and refurbished local authority housing had left sales of these systems far *behind those of electric heaters.*

At the same time, there was a strong trend back towards open fires, with some 25 per cent of new houses being built with chimneys last year.

Gas remained by far the most popular fuel for central heating, however. It accounted for 74 per cent of new central heating systems installed last year.

Clyde meets its £30m cable funding target

BY RAYMOND SNODDY

CLYDE CABLEVISION, one of the new pilot cable television companies, has completed its £30m financ*ing after a nine-month struggle.*

Clyde, which plans to cable 128,000 homes and businesses in the north west of Glasgow, Scotland, will start laying cable in May and begin a 20-channel service in October.

Mr David Campbell, chief executive *of Clyde, said yesterday that* the completion of the financing was "a boost for the entire cable industry." Clyde has been trying to raise £10m in equity finance since last July, but until last week it had secured only £9m. The final £1m has now been raised.

Clyde's success in raising finance may be a turning point for cable television. Until now there has been deep scepticism in the City of London over the financial prospects for *the industry.*

The news will also be welcomed by the Government. Clyde is planning the kind of two-way communication system the Government has been keen to encourage. Services will include home shopping, banking and business data.

Mr Campbell said yesterday: "We are going to bring the 21st century to Glasgow and Clydeside 15 years early. He added: "We are putting some fizz back in the bottle," a reference to the then broadcasting minister, Mr Douglas Hurd's admission last year that some of the fizz had gone out of cable television prospects.

Mr Robert Maxwell

At the moment Swindon is the only one of 11 franchises chosen by the Government in November 1983 which is running a service on new multi-channel cable. At least five *other franchises* are scheduled to get going this year — Clyde Aberdeen, Coventry and two in London, Westminster and Croydon.

Mr Robert Maxwell, the publisher who has extensive cable television interests including the Rediffusion cable networks, is believed to have played a leading part in getting Clyde off the ground. Apart from investing himself, Mr Maxwell is believed to have persuaded Lord Weinstock of GEC and Mercury Communications to invest a total of £2.5m in the company.

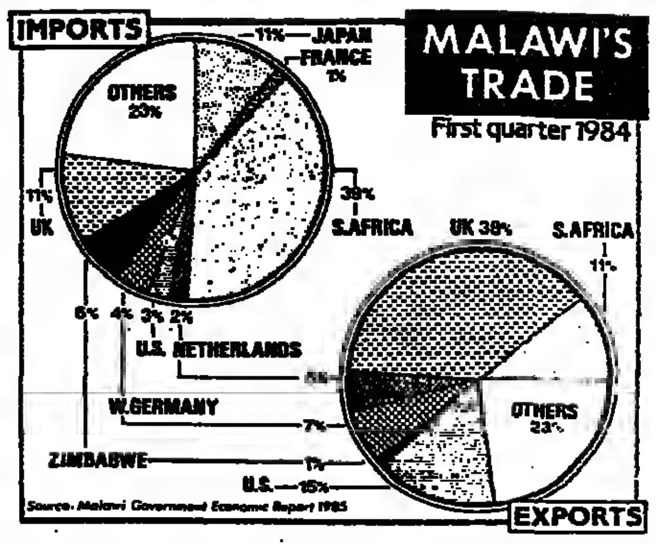
FINANCIAL TIMES SURVEY

Tuesday April 16 1985

MALAWI

Dr. Banda's emphasis since independence in 1964 on the overwhelming importance of agriculture has helped landlocked Malawi to survive the difficulties of the past decade better than most African states. The challenge ahead includes serious transport constraints and further economic reforms

The President, Dr Banda, bas always taken a strnng interest in crops grown by small farmers. Dr Banda rarely gives interviews but on Page 5 he talks to Michael Holman



Three problems for a landlocked nation

By Michael Holman
Africa Editor

WHEN MALAWI'S Life President, Dr H. Kamuzu Banda, begins his state visit to Britain today, it will mark an extraordinary turn of the wheel of history.

The man jailed by the then Britain's Colonial Secretary. Alan Lennox-Boyd, snme 27 years ago for his fiery denunciation of the ill-fated Central African Federation and his pursuit of Malawi's (then Nyasaland) independence, returns to the country where he once practised medicine, as an honoured guest of the Queen.

The visitor is one of Africa's most extraordinary leaders whn has ruled virtually unchallenged since independence in 1964 in a style all his own. Few spectacles on tbe continent can compare with the occasions when the President steps down from the platform at public rallies, flywhisk in hand, to join bis dancing "mbumba," the redoubtable ladies wbo play such a colourful and important role in the country's affairs.

Bedecked in their cotton prints of green, blue and red and emblazoned with the portrait of the Ngwazi (Saviour) himself, the turbanned mbumba grace most presidential events. The highlight comes wben Dr Banda, always immaculately turned out in a three piece suit, takes part in the dancing.

It is one time when vigilant security men can relax, for the President is almost literally taken into the bosom of the nation on which he has stamped his values in a fashion unparalleled in Africa.

These values include an almost Victorian ethos of hard work, discipline, self-sufficiency and a respect for authority, and the evidence is all around; tbe intensity with which the land is cultivated, especially in the heavily populated south; a civil service of generally bigb calibre which takes care to turn np for work on time; a general air of orderliness in towns and villages and absence of corruption and a deference towards the President which borders on the feudal.

It is a formula whicb bas achieved some remarkable results in a country which, though still among the poorest in the world, has one of the most Impressive post-independence growth records in Africa, starting from one of the most impoverisbed bases.

At independence in 1964, Dr Banda inherited a landlocked state, with no exploitable mineral resources, 120 miles nf tarred road, and a handful of university graduates. The country was seen as little more than a supplier of cheap labour to the mines and farms of Southern Rhodesia (now Zimbabwe) and South Africa.

From the start the President emphasised tbe overriding need to concentrate on agriculture and meet three basic needs—food, clothing and shelter—in what has become a national litany, hammered home by the President, active and alert despite his 80 or more years, as he tours tbe country.

More so than many beads of state, the President can take credit for Malawi's achievements (and a concomitant responsibilty for its shortcoming), for be bolds the key portfolios of Agriculture, as well as External Affairs, Justice, Works and Supplies, while all major finance ministry papers cross his desk at Sanjika Palace in Blantyre.

The outcome of his exhortations in the first years of independence was remarkable, for real GDP grew at an average rate of 5.5 per cent a year between 1967 and 1979. By the end of the 1970s, bowever, it was clear that Malawi was in serious trouble.

Progress

This was due to a combination of unavoidable external factors, such as the second rise in world fuel prices and deteriorating terms of trade, transport problems, and sbortcomings in government policies, notably an increasingly burdensome state-owned sector, an agricultural pricing policy which provided inadequate incentives to smallholder farmers, and beavy government spending on uneconomic projects.

But with the aid nf the Wnrld Bank and other donors and under the watchful eye of the International Monetary Fund (IMF) Malawi has made considerable progress down the sometimes painful path of structural reform.

The measures themselves, good rains, an enthusiastic peasant farmer response to higher prices, record tea receipts last year and the shifting of some stockpiled tobacco, saw a dramatic real growth in GDP of 7.6 last year.

But three critical issues dominate economic prospects for the years ahead. The most immediate is the cost of being a landlocked country whose access to two major ontlets — Beira and Nacala on the East coast — bas been closed by rebel action in Mozambique.

The enforced use of the longer routes through South Africa (and the Tanzanian port nf Dar-es-Salaam which last year handled 15 per cent of Malawi's trade) cost come Kwacha 100m (£53.16m) and in 1983 transport outlays consumed about one about one third of export earnings.

No early relief is in sight and for the forseeable future Malawi will continue to pay the price of its geographical handicap.

The second issue is less pressing, but of overwhelming long-term significance. At the curent rate of population growth — at least three per cent a year—the number of Malawians will double from around 6m today to nearly 12m at the turn of the century.

The strain placed on land, energy resources (85 per cent of primary energy needs comes from wood) and social services will become more serious hy the year. Although the government bas taken the first tentative steps towards a family planning programme, it is a far cry from what is needed if other policiea — increased smallholder productivity for example — are not to be negated.

The third issue, closely bound up with the supported structural adjustment policy of the World Bank is whether Malawi can sustain the agricultural growth of the last few years. In particular, it has tn evolve a mix of export crops which relieves the current dangerous dependence on tea and tobacco (71 per cent of export earnings last year) while continuing tn ensure that maize production — the staple food — meets national needs.

Many donors have been surprised by the readiness — on most subjects at least — of the President to take some painful economic measures. This flexibility on the economic front has been matched by a significant shift in the bandling of foreign affairs.

Almost from the start of his time in office, Dr Banda outraged his fellow leaders on the continent by opening diplomatic relations with South Africa, playing host to the Republic's late prime minister, John Vorster in 1970, making a controversial visit to Pretoria in 1971, and arguing that while apartheid was abhorrent, dialogue and not confrontation with the whiite giant was the only feassible course.

While the President may still be Africa's odd man out, Mozambique's non-aggressinn pact with South Africa, signed last year, must have given Dr Banda cause for some wry reflection. But at the same time — perhaps with transport dependence in mind — an improvement in relations with black Southern Africa bas taken place.

Malawi's decision not only to become a founder member nf the Southern African Development Co-ordination Conference (SADCC) in 1979 — an organisation which aims to reduce trade and transport links with South Africa — but to bost a ministerial SADCC summit in November 1981, was a landmark.

Commiserate

In subsequent years both Zimbabwe and Mozambique bave opened embassies in the capital, Lilongwe, and last October what once would have seemed unthinkable took place: Mozambique's Marxist leader, Samora Machel, paid a state visit to Malawi, giving the avowedly pro-West and anti-communist Dr Banda a chance to commiserate over his neighbour's economic plight.

More to the point, it gave the two men the opportunity to discuss a mutual concern: the activities of the Mozambique National Resistance (MNR) who have cut Malawi's access to Beira and Nacala attacked traffic on the Tete road to Zimbabwe and wbn appear to be steadily undermining President Macbel's authority. Wbether mnch practical progress was made is doubtful.

Where there is little sign of any policy shift, or any relaxation of the President's firm grip, is in domestic political affairs. There is, it must be said, a dark side to Malawi politics. Scores, if not hundreds, or arbitrary detentions without trial in the mid-1970s and the earlier brutal treatment of Jehovah's Witnesses caused considerable concern at the time, although towards the end of the decade most detainees had been freed.

But comparatively recent episodes have provoked deep unease. The first was the suspected assassination in Harare in March 1983 of Dr Attati Mpakati, leader of the banned Socialist League of Malawi (Lesoma). Of far greater concern and import was the still unexplained deaths, ostensibly in a car crash in May 1983, of three cabinet ministers and a member of the national assembly.

Among those who died was Mr Dick Matenje, a senior minister occnpying the keypost of secretary general of the ruling Malawi Congress Party (MCP), the country's only legal political party, and widely regarded as a potential successor to the President.

The third episode involved the alleged kidnapping of Dr Orton Chirwa and his wife, exiled leader of the Malawi freedom movement, from Zambia in late 1982. Mr Chirwa, a former Justice Minister, was together with his wife charged with treason and sentenced to death after a trial whnse conduct many jurists questioned. Last June the President commuted tbe death sentence to life imprisonment.

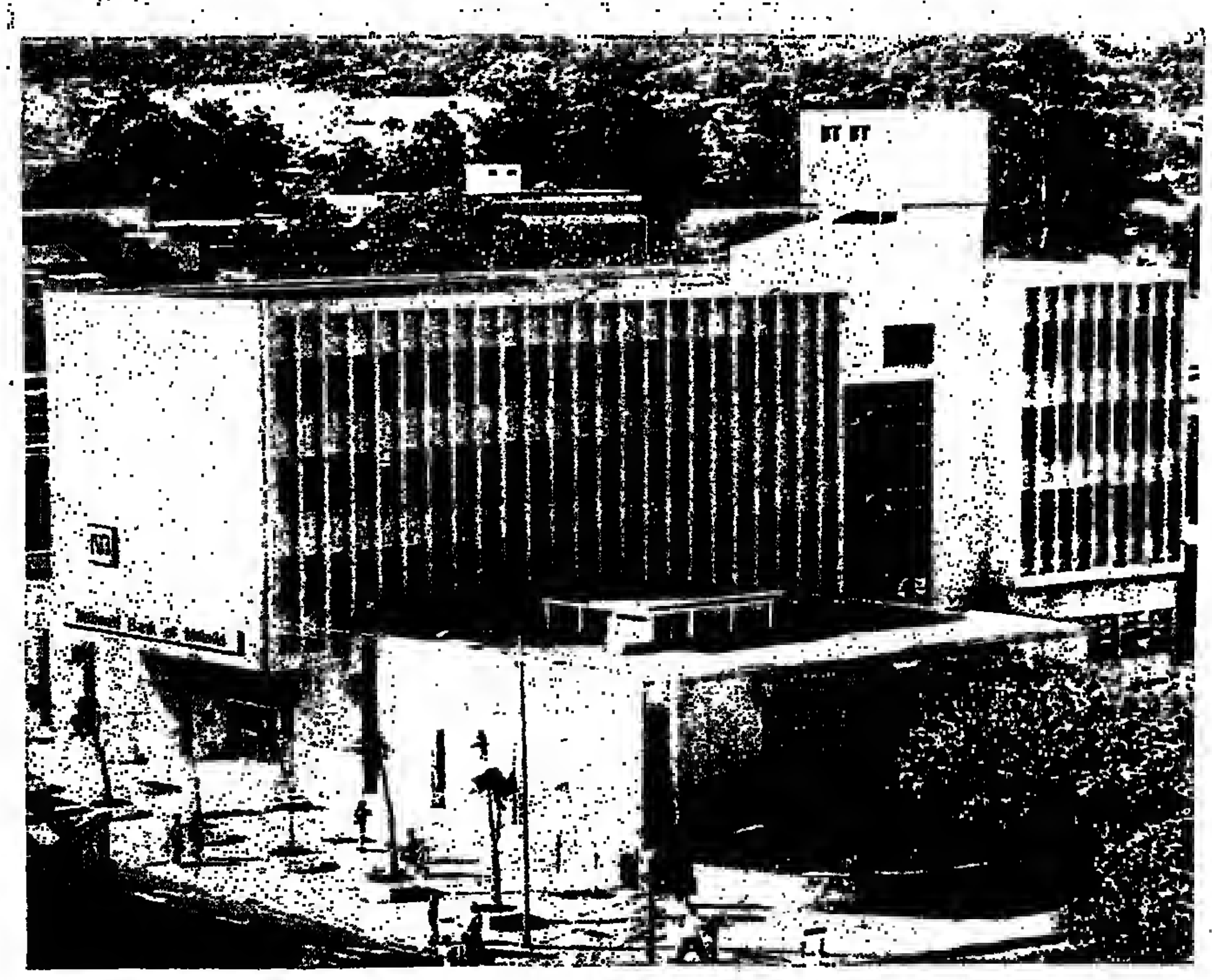
Malawians are as reluctant to discuss these incidents as they are to comment publicly nn another taboo subject: the successor to the President, who although hale and hearty is 80 according to his official biography but some years older in tbe opinion of many nbservers.

The constitution offers limited belp. In the event of a vacancy the functions of the office shall initially be performed by a three-man presidential council chaired by the secretary general of the party, with two ministers who are also members of the national executive nf the MCP. The next step would be the convening of an electoral college of MPs and party officials who wuuld nominate the presidential candidate.

The post nf secretary general has been left unfilled, however, since Mr Matenje's death and the widespread expectation that Mr John Tembo, former Governor of the Malawi Central Bank, would fill it proved wrong—although Mr Tembo remains an important member of the national executive of the party.

That administration issue apart, most observers believe it highly unlikely that the President's successor will emerge from the deliberations of a college wbose members will number 200 or more. Rather they will simply endorse the candidate selected by a much smaller inner circle.

Who that may be is far from clear and certainly for any Malawian to promote bis or her cause would be an unwise act of lèse majeste.



Transport costs and debt servicing are critical issues

Economy

MICHAEL HOLMAN

WHEN MALAWI'S Minister of Finance, Mr Edward Bwanali, rose to present the country's 1985-86 budget three weeks ago, it was a case of first the good news, followed by the not-so-good news.

With understandable satisfaction he told the House that Malawi had achieved a growth in real GDP last year of 7.6 per cent, the deficit on current account had fallen from K182m (£100.5m) in 1983 to K49m, and the overall balance of payments saw a turnround of the K123.5m deficit in 1983 to K58m surplus.

Reserves had risen K88m to K98.9m by last August—a comfortable four months import cover—from a 10-year low of K17.6m in December 1983.

Much of the growth was due to an unusually successful agricultural season—led by the country's peasant farmers, or smallholders, with output up 6.3 per cent. High world prices for tea, Malawi's second largest foreign exchange earner was a bonus, and, together with tobacco, last year accounted for 71 per cent of export receipts (a record K431m) 59 per cent up on 1983. Earnings were also boosted by shipments of tobacco stockpiled over the 1983 season because of transport problems, and by exports of maize for the third successive year.

The Minister took an altogether more cautious view, however, of 1985 and forecast a growth of 3.9 per cent, in part because of the unusually heavy rains which will reduce tobacco output. But this is far from the sole factor, for the country's heavy transport costs and considerable debt service commitments are two further critical issues which will affect the country's overall economic performance.

The most immediate concern affecting landlocked Malawi's prospects is the enormous burden incurred as a result of the disruption of the two shortest routes to the sea leading to the Mozambique ports of Nacala (1,400 km) and Beira (1,600). The consequences are discussed elsewhere in this survey, but it is calculated that the extra expense of the 4,000-km road/rail journey to the South African port of Durban amounted to some K100m in higher freight charges and lower export prices in 1984.

No short-term relief is in sight, for even if rebel activity in Mozambique ended, major rehabilitation of the two ports is required, while the northern route to Dar-es-Salaam in Tanzania has to cope with the port's notorious inefficiencies.

Commitment

The second concern involves the country's heavy debt servicing commitments over the next three to five years, running at over 30 per cent this year and next, before falling to a more manageable rate in the last years of the decade—though still in the mid-twenties.

As the minister pointed out to MPs, the relief obtained through debt rescheduling agreements reached with the Paris club (official bilateral debts) and the London club (commercial banks) came to an end in June 1984 for the former and in August last year for the latter.

"The benefits have ended," the minister said "and we are now back on the original schedules, with of course added interest rates as a cost of rescheduling."

Malawian economists agree that the burden ahead is heavy, but appear reluctant to contemplate a further round of rescheduling for three main reasons.

The first is that the original terms are looked upon with mixed feelings, although the agreement reduced the debt service ratio from what would have been a well nigh impossible 44 per cent in 1984 to around 33 per cent.

In essence, the Malawians' case is that the negotiators in London and Paris treated Malawi hardly better than another Zaire (albeit on a smaller scale), one of Africa's more unrealiable debtors. The terms, they argue, took little or no account of Malawi's past debt repayment record, while some of the consequences of rescheduling—notably the adverse impact on export credit guarantee facilities—only became apparent later. "All in all," says one official involved, "it was an expensive exercise."

A further reason for the reluctance to contemplate further rescheduling stems from the prudence with which Malawi treats its financial resources, a caution reinforced by the increasing awareness since the early 1980s of the country's vulnerability to transport disruption.

"On the basis of our 1985 export forecasts, we can manage," says one government economist, "and we would rather pay while we can."

The final factor involves the role of the President himself who, it is understood, found the need to reschedule a bitter pill to swallow. In a recent speech, Dr Banda made much of Malawi's creditworthiness and most officials take this as a clear indication that he would not look favourably on a further approach to the creditors.

It may well be touch and go. A decline in world commodity prices, further transport hiccups, an end to the bonus of maize exports (Zimbabwe, Malawi's competitor, has had a good season) could dent the 1985 export forecast of K455m and push debt servicing commitments to an uncomfortable level.

Given that even on the most optimistic assessment, Malawi's resources will be scarce, the country's planners will need to make the most efficient use of what is available. This, in turn, raises the third issue: the share of government buildings in the development account over the past few years, and in the year to come.

Inevitably the move of the seat of government to Lilongwe (a new capital which unlike its counterparts in Nigeria and Tanzania has been completed on time at reasonable cost) requires a substantial outlay on the state residence. But there are nevertheless misgivings at the fact that the state house in Lilongwe, together with other presidential accommodation, will, when completed, have cost K63m, of which K41m has already been spent, and a further K10m is budgeted for the year 1985-86.

The latter is 6 per cent of the year's K156m development budget, a commitment which is known to have perturbed both the International Monetary Fund (IMF) and the World Bank.

Approval

It is almost certain, however, that the allocation (which should allow for the completion of the Lilongwe project) has got the approval, however, reluctantly, of the two key bodies who came to Malawi's assistance when it ran into severe difficulties towards the end of the 1970s.

After the high growth between 1967 and 1979 (real GDP grew at an average rate of 5.5 per cent) Malawi was caught up in a combination of unavoidable external shocks and domestic policy shortcomings.

The impact of the second oil price rise of 1978-70 saw the country's fuel bill more than doubled between 1978 and 1981, although actual oil imports declined. The need to find alternative routes to the sea other than Mozambique forced import prices up on average 60 per cent over the same period.

A drought in 1979 and 1980 hit agricultural output at a time when commodity prices fell 30-40 per cent and terms of trade deteriorated by 30 per cent. International interest rates climbed, pushing the external debt service ratio up from 8 per cent in 1970 to 18 per cent in 1980, and by 1981-82 it was around 40 per cent.

The Government borrowed heavily on commercial terms to help meet widening budget deficits (over half of 1978-81 borrowings of US$570m was on non-concessional terms, in part paying for the new US$120m Lilongwe airport), and was starting to pay the price.

The problems to different degrees affected all governments in Africa, and many observers believe that Malawi could have weathered the storm better than it did, but for two main areas in which government policies displayed weaknesses.

Complex

Perhaps the most notable area was the performance of state-owned corporations, an interlocking and complex network of companies, some run on unorthodox lines, all pervasive in their impact, and undermining Malawi's boast that it was a free enterprise, market force economy.

The state-owned (parastatal) sector is looked at more closely in a separate article in this survey, but it includes the Agricultural Development and Marketing Authority (Admarc), the Malawi Development Corporation (MDC), rail and air services, a housing corporation and above all Press (Holdings) with investments in most sectors of the economy and whose shares are held by the President himself—as trustee for the nation is the way government officials describe this unusual arrangement.

Drawn into the state's problem to a degree which they have found uncomfortable have been the two commercial banks lending heavily to estate tobacco farms, some of them badly managed (as the article on agriculture points out), as well as to other unproductive government ventures.

The parastatals, with weak management, hampered by price controls, undercapitalised, proved a serious drain on the economy and were only kept afloat by government subsidies, the deferring of the payment of debts to the Government, and heavy borrowing from the banking system.

Another serious structural weakness, acknowledged in a frank government report to donors at the beginning of last year, was the performance of the smallholder sector. Although exports grew rapidly during the 1970s, says the report, the growth was dominated by estate (large farm) production.

Tea, tobacco and sugar exports grew at an annual rate of 15 per cent while smallholder exports, it observes, "stagnated at 2.6 per cent. Consequently the share of smallholder exports declined by half to 25 per cent over the period. Reliance on tea, tobacco and sugar increased . . . hence the severity of the impact of the fall in international prices towards the end of the decade on the balance of payments."

The estate's share of agricultural exports, it has been calculated, increased from 32 per cent in 1967 to 65 per cent in 1979 and 80 per cent by 1981-82. Smallholders who were receiving less than the value of their export crops—an effective government tax—and moved away from these crops, while the proceeds of the tax went in part to estate development and partly financed government ventures.

By the end of the 1970s, Malawi was in serious trouble. Government deficits rose to an average of nearly 14 per cent of GDP during the period 1978-79 to 1981-82, nearly double the rate of preceding years. Government expenditure over this period averaged around 33 per cent of GDP, compared to 25 per cent in the previous six years. Inflation was running at nearly 13 per cent and the external debt was becoming unmanageable.

It was time to call in the World Bank and the IMF, and by the combination of carrot and stick major reforms got under way. The carrots have included two World Bank structural adjustment loans and a third—between $50m to $60m—is in the early stages of negotiation.

In late 1979, the Government secured an IMF standby credit of SDR 50m and in September 1983 the fund approved an SDR 100m three-year extended financing facility. Despite some difficulty over programme targets at the end of last year and early in 1985, which led to a delay in the drawing of one tranche, the Government appear determined to meet the loan conditions.

The adjustments that have taken place over the last three years have left barely an area of the economy untouched. Price controls have been lifted on all but 20 or so items and the list will be reduced further, leaving only a handful of basic commodities protected.

The parastatals have undergone a major overhaul — though much remains to be done to put Press on a firm footing. Increases in prices received by smallholders have risen substantially (and output has soared as a result). Interest rates have risen, the Government has pursued a flexible exchange rate policy and an external debt monitoring unit has been established in the Ministry of Finance.

Both donors and Malawians agree that the process is not at an end and some fundamental challenges remain, notably the need to diversify the narrow export base, as well as get to grips with the rate of population growth (described in a government report as "probably the largest obstacle to an improvement of incomes and living standards.").

But when the World Bank chairs the consultative group meeting set for the end of this year, Malawi is likely to find most donors sympathetic to its requests for continued support.

Gross Domestic Product, by sector of origin

AT 1978 CONSTANT FACTOR COST, 1980-85*
(K million)

	1980	1981	1982	1983	1984	1985
Agriculture	284.1	260.7	278.7	290.6	308.8	313.9
Small-scale	231.2	210.7	216.9	224.7	243.3	247.2
Large-scale	52.9	50.0	61.8	65.9	65.5	66.7
Manufacturing	89.0	92.0	91.8	98.3	101.5	106.6
Utilities	14.1	14.3	14.6	15.8	16.5	17.1
Construction	41.3	34.3	33.6	31.6	32.1	33.4
Distribution	109.3	98.1	94.9	102.6	111.2	119.5
Transport	52.1	47.7	46.8	44.9	49.9	53.4
Financial/Professional	51.4	47.4	47.4	50.7	53.4	56.6
Ownership of Dwellings	32.3	31.7	32.6	33.9	35.2	37.0
Private Social Services	29.1	30.5	31.0	33.2	34.3	35.5
Government	79.0	85.1	89.8	93.9	106.2	112.1
Unallocable Finance Charge	−20.7	−19.1-19.5	−20.4	−21.5	−22.7	−23.3
GDP at Factor Cost	761.0	722.7	741.7	775.1	827.6	862.4

* Revised.

Source: EPO, NSO, Treasury and RBM.

Exports by main commodities 1980-85

(K million)

	1980	1981	1982	1983	1984*	1985†	% Change 1984 on 1983
Agricultural Crops:							
Tobacco	100.8	99.4	145.8	136.7	193.8	183.7	41.8
Tea	29.8	30.6	45.3	55.9	112.5	118.6	101.3
Sugar	37.7	56.7	24.3	27.1	29.2	45.2	7.7
Groundnuts	15.9	10.6	4.6	2.9	2.4	4.8	−17.2
Rice	3.0	3.1	1.7	0.2	0.9	2.1	350.0
Cotton	4.5	1.5	0.3	—	—	17.3	0.0
Pulses (beans, peas, etc.)	1.8	2.7	2.0	9.6	4.3	4.8	−55.2
Total	193.5	204.6	224.0	232.4	343.1	376.6	47.6
Other crops including Manufactures	24.8	27.8	25.0	32.8	78.8	68.6	140.2
Total Domestic Exports	218.3	232.4	249.0	265.2	421.9	445.4	59.1
Re-exports	12.7	11.3	7.6	5.4	9.3	10.0	72.2
Total	231.0	243.7	256.6	270.6	431.2	455.4	59.3

* Estimate. † Forecast.
Sources: National Statistical Office Treasury Reserve Bank of Malawi Economic Planning Division

Balance of Payments, 1980-85

(Km)

Years	1980	1981	1982	1983	1984	1985
Exports	231.0	257.5	255.5	270.6	431.2	455.4
Imports	258.4	230.9	209.6	232.8	246.4	271.6
Trade Balance	− 27.4	26.6	45.9	37.8	184.8	183.8
Invisibles (net)	−180.8	−146.3	−177.8	−207.2	−233.6	−274.6
Current Account	−208.2	−119.7	−131.9	−169.4	− 48.8	− 90.8
Capital Account (net)	201.6	84.8	65.5	45.9	106.5	90.8
Overall balance before debt relief	− 6.6	− 34.9	− 66.4	−123.5	57.7	0.0
Debt relief	0.0	0.0	19.7	69.5	33.3	0.0

* Forecast.

Source: Malawi Government Economic Report, 1985.

Blend of incentive and admonition works

Agriculture
PATTI WALDMEIR

MALAWI, STILL one of the world's poorest nations despite impressive economic progress since independence, holds the distinction of having been the only country in Southern Africa to produce an *exportable surplus* of maize in drought-hit 1984.

Good fortune had a large hand in this achievement, as most of Malawi enjoyed fine rains while its neighbours' maize fields were parched and dry. But at least equal weight must be given to the Government's success over the past 20 years at pushing a peculiarly Malawian blend of incentive and admonition which has made agriculture in Malawi what it is not in Tanzania or Mozambique—a reliable engine of economic growth.

Agriculture is Malawi, and has been since independence in 1964, when the country's economic planners (chief among them the *President*, who holds the agriculture portfolio) recognised that with few mineral resources, Malawi's best hope for growth lay through feeding itself and producing an exportable agricultural surplus to finance development.

Although the engine has stalled from time to time, broadly speaking Malawi's agricultural goals have been achieved: the sector earns 90 per cent of the country's foreign exchange from export (exports totalled K431m (£238m) last year, up from negligible levels et independence) and last year's 7.8 per cent growth in GDP has been attributed by the government to a 6.3 per cent growth rate in agriculture.

Smallholder output led the way, growing by 7.8 per cent last year an achievement which few other African countries can equal.

Over the past few years, the agricultural sector has shown impressive gains. Peasant sales of maize to the state marketing board, ADMARC, *rose 167 per* cent between 1980 and 1982, after a 77 per cent rise in the maize producer price (although experts caution that because ADMARC *purchases only a* fraction of total output, the magnitude of purchase increases does not accurately reflect the underlying rise in production).

Smallholder cotton output also rose by 140 per cent last year over 1983 and peasant tobacco prodnction more than doubled in the same period.

Record receipts

Both tea and tobacco brought in record foreign exchange receipts in 1984, with tea export receipts doubling to an estimated K112.5m, largely because of huoyant world prices. Total tobacco output by estates and smallholders topped 70m kg in both 1983 and 1984 for the first time ever.

However to meet these goals has required a fundamental shift (prompted partly by some stern words from tha World Bank) in the direction of the agricultural policies of the 1970s, which had led by the end of the decade to a situetion where smallholder agriculture *was stagnant* and the *estate* sector (which provides 70 per cent of all agricultural exports) was in crisis.

By the late 1970s, the combination of high input prices, the end of the decade's tohacco boom and poor management had left many estates unable to service their substantiel debts to the commercial hanks, which *were forced* to *take* the *unusual* step of appointing receivers to run some estates with advice from the hanks' own independent agricultural extension service.

Government planners say Malawi essentially faced a choice in the immediate post-independence period: whether to channel scarce investment resources into developing a large-scale, export-orientated estete sector (with ell the attendant social dangers of creating e class of tenant and itinerant *labourers*), *or to concentrate* investment in the traditional peasant sector where returns were likely to he mnch lower.

The former path was chosen —*producer prices paid to the* smallholder farmer, especially for export crops, were kept relatively low while the large surpluses generated by the *export of these commodities* were used to develop the estates sector.

Opinions must continue to differ over whether this decision was wise. Government officials argue that heavy investment in estates was the best way to generate the large amounts of foreign exchange needed for development, edding that estates also generated large numbers of jobs and provided e substantial amount of rural infrastructure.

Critics contend, however, that moch of the investment was ill-directed to estates with poor financial management where there was a large amount of wastage. They also said that the steady rise in estate employment in the 1970s reflected a serious deterioration in living standards on peasant lands which forced smallholder farmers to seek paid employment on estates.

Whatever the arguments for or against the Government's development strategy it was clear hy the early 1980s that there was a widening gap *between the productivity of the* estates and the *smallholders* which had to be tackled.

Between 1972 and 1982, sales to ADMARC of the major smallholder export crops fell off sharply. Tobacco sales were halved, falling to 8,800 tonnes from 17,600 tonnes. Seed cotton sales fell to 14,800 tonnes from 22,000 and groundnut sales dropped to a quarter of their 1972 levels (from 39,200 tonnes to 10,400).

The output of tobacco estates, on the other hand (tha main *beneficiaries of investment* in the 1970s) grew hy a remarkable average of 16 per cent per year between 1972 and 1979—although growth tailed off leter *because of the estates'* end-decade financial crisis.

It was the stark gap between relative growth rates, coupled with a realisation of the parlous *state of the tobacco estates'* finances and the deterioration of Malawi's terms of trade, which combined to convince the Government and donors that e radical *shake-up of the structure* of Malawian agriculture was unavoidable.

Of all the elements of the structural reform package agreed between the Government and the World Bank in 1981, agricultural reform has proceeded the most rapidly. The situation of declining returns to smallholders which prevailed in the 1970s has been reversed.

Pricing balance

In 1980-81, maize prices were raised to K0.11 per kg from K0.065 the prevlous year, in the interests of guaranteeing food self-sufficiency and an exportehle surplus during the years of Southern African drought.

The *pricing* balance has since been further adjusted to discourage over-planting of meize and to encourage smallholder dlversification. A sharp price rise for cotton last season hrought in e record smallholder crop, while price increases for tobacco also contrihuted to e large rise in smallholder production.

The re-organisation of the tobacco estates—dehts have been rescheduled or written off and new management brought in—appears to have been a success, although the relatively soft world market continues to depress profitability.

Underlying these reforms is a fundamentally sound basis of agricultural policy and practice. Fertiliser and other inputs are usually delivered on time, despite daunting transport problams (described elsewhere in this survey).

Essential goods are *widely* evailable in rural areas, providing en incentive for farmers to produce and market a surplus. There is a programme of building up regional strategic food reserves and not least a President whose constant emphasis on the need to grow more crops, is backed by his enormous authority, underlined each year when he spends several weeks formally inspecting crops in all the main farming areas.

Nevertheless, a number of challenges remain for the years ahead. The correct pricing of fertiliser will be crucial to attempts to boost production. While the World Bank continues to insist on elimination of all subsidies, government officials argue that to pass along to farmers the full inflated cost available in the rural areas, providing an incentive for farmers of fertiliser transport would precipitate e sharp decline in fertiliser use and a corresponding fall in output.

Smallholder yields must rise substantially to meet the needs of Malewi's expanding population. The Ministry of Agriculture estimates that some 86 per cent of the country's arable land was already under cultivation in 1977, with virtually no new land available for cultivation in the southern region or most of the central region, while population continnes to grow at about 3 per cent per year.

Greater evailability of credit and improved technical packages are required to stimulate the necessary increase in yields.

Plans to make available both short and long-term finance to the estate sector for investment in diversification must be acted on promptly to reduce the country's frightening dependence on tobacco and tea for some 70 per cent of export receipts.

Finally, it remains to be seen whether the National Rural Development Programme (discussed separately in this survey) will warrant the major government and donor investments envisaged.

Production of Tobacco

	SMALLHOLDERS		ESTATES	
	Sun/air cured ('000 kg)	Dark fired ('000 kg)	Flue cured ('000 kg)	Burley ('000 kg)
1974/75	1,689	10,122	14,890	7,997
1975/76	1,794	12,149	16,170	6,600
1976/77	2,922	18,597	19,585	10,261
1977/78	3,361	17,169	20,851	10,593
1970/79	1,634	12,592	25,155	14,962
1979/80	1,344	9,457	26,301	16,686
1980/81	1,330	10,285	19,714	18,804
1981/82	1,182	7,125	22,609	27,602
1982/83	904	11,225	21,655	41,536
1983/84	1,970	16,788	14,173	24,165

Sources: Tobacco Sector Study, Minster Agriculture/Ministry of Agriculture, 1983: Tobacco Auction Holdings: Final Crop Estimates 1983/84. Estate production data for 1983/84 are amounts auctioned in 1984.

Debate over rural programme

Smallholders
PATTI WALDMEIR

AT THE heart of Malawi's agricultural development strategy lies the National Rural Development Programme (NRDP). It is an ambitious country-wide programme aimed at stimulating the kind of rapid growth in small farmer output which will be essential to keep this crowded nation fed in the years to come, while also encouraging diversification of the country's current narrow export base.

The NRDP, and its ancestors, the integrated rural development programmes of the 1960s and 1970s, have absorbed the majority of government and donor development spending on agriculture since independence in 1964. Donors such as the World Bank, the European Community and the West German and British Governments have spent heavily on various aspects of the programme.

For example, donor funds committed so far to one of the oldest such projects, the world Bank-financed Lilongwe agricultural development division, have totalled a hefty K51m (£28.18m) since the project's inception in 1968. NRDP's allocation from the 1985-86 development budget is K25.5m, or 15.7 per cent.

However, the performance of NRDP so far — measured in terms of concrete productive returns on investment alone — has given some donors pause for thought. It has provoked a *debate over the merits of the* programme's integrated approach to deevlopment, a concept which has recently come under increasing scrutiny throughout Africa because of the heavy strains such projects place on government recurrent budgets and local management skills, and, because the impact on productivity has in general been disappointing.

The thrust of Malawi's rural development strategy has changed considerably since the 1970's, when conventional donor wisdom called for intensive, fully-integrated propects aimed at providing a complete social and economic infrastructure for rural communities, while also boosting farm output.

Throughout the period from independence until the late 1970's, the government focused its efforts on four such comprehensive rural development projects which eventually reached some 20 per cent of rural households.

Capital outlays were heavy, with emphasis placed on the completion of physical infrastructure: roads, marketing dapots, clinics, water supply systems and staff housing.

But the Government became disenchanted with tho limited scope and high cost of the IRDP's, and launched the national rural development programme whose aim, according to the government, was to reach a far greater number of farm families over a 20-year period hy scaling down over-*ambitious plans* for *spending on* physical infrastructure.

Resources were to be concentrated on services which *would have a more immediate* impact on production—provisions of credit, extension advice and training to smallholder farmers—although the aim of integrating social and economic development would not be abandoned.

According to the Ministry of Agriculture: "NRDP has produced remarkable results of national importance including ettainment of food self-sufficiency and improved food security, increased prodnction and export of various smallholder-produced commodities."

More cautions

Donors are more cautious in their assessment of the programme, pointing out that it is virtually impossible to isolate the impact of NRDP itself from the effects of powerful macro-economic variables such as pricing changes (which have radically altered smallholder outpnt patterns in recent years.)

Both donors and the Government would egree that reeching any objective assessment of NRDP is extremely difficult. This is because many of the *programme's benefits* are not easily qnantifiahle, the impact of a village borehole for example.

For most donors, the bottom line *must* show not only improvements in the quality of life, hut a concrete production *increase income to finance the* project when external funding ceases.

Donor evaluations of two of NRDP's longest-running projects—the World *Bank-funded* Lower Shire valley agricultural development project and the EEC-financed Lakeshore development project—have shown a disappointing "bottom line."

According to a recent World Bank Impact Evaluation Report on the Shire Valley scheme, which concentrated in its early *stages on stimulating cotton* production, cotton ontput actually declined during the 15-year life of the project and production of alternative crops remained static.

The report sharply criticises the Bank's own role in the project, arguing that Bank personnel failed to recognise serious design flaws in the programme.

Most donors would agree thet, given the scarcity of reliable information on the programme, no definitive conclusions on the success or failure of NRDP can yet he drawn. It has its clear triumphs —credit recovery, for example, which averages a remarkahle 90 per cent or higher. And even the World Bank's largely negative assessment of the Shire Valley project is et pains to point out thet the facilities provided by the project "had an obvious and much appreciated impact" on living standards.

External road and rail links deteriorate

Transport

PATTI WALDMEIR

NO SINGLE factor places a greater strain on Melawi's prospects—and more effectively highlights the difficulties of developing this vulnerable, lendlocked economy—than the fact that the country bas been virtually cut off from both its traditional trade routes to the sea for over a year.

Transport disturbances caused by rebel activity in neighbouring Mozambique and the deteriorating condition of reil lines in that country have been a nagging problem for industry and government since et least 1980. By 1983, the country faced a major transport crisis as attacks by guerrillas of Mozambique Nationel Resistance (MNR) closed the rail line to the Mozambique port of Beira, (1,600 km eway) which formerly handled over balf of Melawi's trade.

When the chief elternative route, to Nacala in Mozambique (1,400 km) also closed last year because of insurgent attacks and poor treck conditions, Melewi was left elmost wholly dependent on foreign hauliers (the country bas only a small domestic road baulage industry), to transport goods et beevily infleted costs to tha South African port of Durban, some 4,000 km away by roed and rail.

Disrupted

Hardly e sector of the economy has remained unaffected. Import costs heve risen sherply and supplies have been disrupted. Exports are struggling, and in some cases failing, to remain competitive on world merkets.

Company balance sheets are under strain from the cost of holding high inventories of imported inputs, the country's balance of payments has suffered a serious setback.

Transport ministry officials estimate that the closure of the Beira and Nacala routes cost some K100m (£55.25m) in higher freight charges and lower export prices last year, although indirect costs to the economy were certainly much higher.

Fertiliser which cost K30 per tonne to import from Beira in 1983 now costs en average K170 (£93.92) per tonne (1983 prices) for delivery along alternative routes. The transport component of import costs has neerly doubled since the late 1970s, rising from a 20-25 per cent average to 35-40 per cent last year.

Business and diplomats agree that the Government hes responded quickly and efficiently to the crisis. In 1982, when an entire season's supply of fertiliser was trapped at Beira by guerrilla attacks on the line of rail, the Government acted swiftly to arrange a credit end transport package with Pretoria to bring fertiliser in through South Africa end avert a major crop disaster (elthough deliveries were still late in many areas.

Scarce transport has in most cases been allocated to priority sectors and the government has effectively rallied donors behind a programme to build up a domestic transport fleet (with the help of foreign privete capital) and increase fuel storage capacity within the country.

In addition, a new northern transport corridor has been opened up with the completion in record time last yeer of a British-aid financed link road between Karonga in Northern Malawi and Ibanda in Tanzania, where goods join the road and/or the Tazara rail line, to the port of Dar-es-Salaam.

The northern route trims some 2,000 km off the trip to the sea. But sections of the road are of very poor quality and many exporters and importers ere relnctent to rely on a rail line and port which are notorinus for poor management and delays.

Of the elternative trade roules on which Malawi now depends, none can be said to be reliable. The flow of Malawian goods by road and rail through Zambia to and from South Africa is frequently interrupted by transport bottlenecks in Zambia, where economic recession has led to a shortage of lorries, spare parts and locomotive power. Zambia also levies high charges on goods in transit to Malawi.

Supplies of fuel from Zambie's Ndolo oil refinery bave been cut off from time to time when the refinery has run short of crude, causing serious petrol shortages in Malawi and Malawian goods. Moving by road through Tete in Mozambique on a route which leads via Zimbabwe to Durban, continue to come under guerrille attack despite the fact that the Zimbabwe ermy guards the Mozambique segment of the route.

The tobacco and tea industries, which together eccount for some 71 per cent of foreign exchenge earnings, have seen profitebility eroded by escaleting trensport costs which have depressed the prices of both products on Malawian euction floors.

The tea industry, enjoying a mini-boom because of what have until recently been record-high world tea prices has fared best, with prices fevourable enough to merit limited airfreighting of tea.

For the tobecco industry, whose financea remain precerious because of the heavy debts incurred in the 1970s and a weak world market, the transport dislocations heve proved a serious blow to the sugar industry. They have precipitated a crisis as transport costs bave escalated beyond the current depressed world market price for sugar, making it uneconomic for Malawi to export outside its quota merkets in the U.S. and the European Community.

Stocks built up

With limited further amounts going to regional markets and to meet forward cootract sales, massive stocks heve built up — some 131,000 tonnes were beld at the end of last year (of total annual production of 156,000 tonnes).

Although stocks have since fallen to 86,000 tonnes — and the viability of the K70m £38.67m Dwangwe supar project is in doubt. The project has been forced to seek a rescheduling of its external debts twice already and it is believed that the Government may soon have to take over servicing of Dwangwe's remaining debt, estimated at some K50m, or see the project go to the wall.

The Malawlan textile industry, which earned K5.7m from exports last year, has elso been bit by high freight costs, coupled with sharply bigher import duties (duty is calculeted on the infleted, CIF cost of the import). Exporting textiles, which previously yielded marginal profits, heve now become a break-even proposition.

Even if the security situation in Mozambique were to improve suddenly, rehabilitation of the Nacela and Beire lines would still take a number of years. Cuerrilla ettacks have recently halted rehabilitation work on the container terminal at Nacala, and a French-Canadian-Portuguese consortium now carrying out the U.S.$200m rehabilitation of the rail line to Nacala is also believed to be considering withdrawing its personnel.

Measures taken to reduce drain on economy

Parastatals

MICHAEL HOLMAN AND PATTI WALDMEIR

A MAJOR overhaul of Malawi's state-owned corporations (parastatals), which by the end of the 1970s bad become a serious drain on the economy, is a key element in the World Bank structural adjustment programme, and one which is closely monitored by the IMF.

The government party and the President himself in the first 15 years after independence played an increasing role in economic affairs through a group of corporations whose activities covered agriculture, commerce and industry, utilities and housing.

The group included the Agricultural Development Marketing Authority (ADMARC), tha Malawi Development Corporation (MDC) and Press (Holdings), as well as Air Malawi, Malawi Railways and the Malawi Housing Corporation.

All to various degrees suffered from a deteriorating management sometimes appointed on political considerations rather than merit, and whose investment decisions reflected this. The corporations also operated in an unsatisfactory business climate in which scores of items were under price controls. Much of the corporations' borrowing was not subject to normal loan criteria and government subsidies were extensive.

The first step towards reform took place under the World Bank's first structurel adjustment loan in 1981. Tariff increases eased the position of Air Malawi, the railways and the Electricity Supply Commission (ESCOM), ADMARC became the subject of a wide-ranging management study, and in the same year the Government established the Department of Statutory Bodies to oversee and co-ordinata the sector.

Also high on the list was MDC, which provides an illustration of the way that parastatal reform has taken place. By the end of the 1970s, according to deputy general manager, Mr R. E. Kamphale, MDC had lost sight of its principal purpose: "to promote and develop commercially viable projects using sound business principles."

Over extended

The company was seriously over-extended financially (its total indebtedness was equal to nearly three times the corporation's equity capital), management was poor, and heed office overstaffed. In 1982 and 1983 losses totalled K2.5m and K2.75m respectively.

Under the terms of the World Bank programme, head office staff was reduced by 30 per cent, top management replaced (with an expatriate general manager brought in with funding from the European Community) and some K5m was realised from the sale of shares in unprofitable portfolio companies.

In addition, MDC carried out a further rationalisation of its investment portfolio by means of a sbare swap with ADMARC and Press Corporation.

Largely as a result of the rationalisation programme carried out in the latter half of 1984, MDC last year improved sharply its financial position recording profits of £6.5m on 1984 income of K12.2m.

Despite this improvement MDC continues to be unabla to service fully its foreign debt, forcing the Covernment to take over most of its foreign loan service. (The corporation contributed 15 per cent of its debt commitments in 1984, and expects to cover similar amounts this year.

Challenging

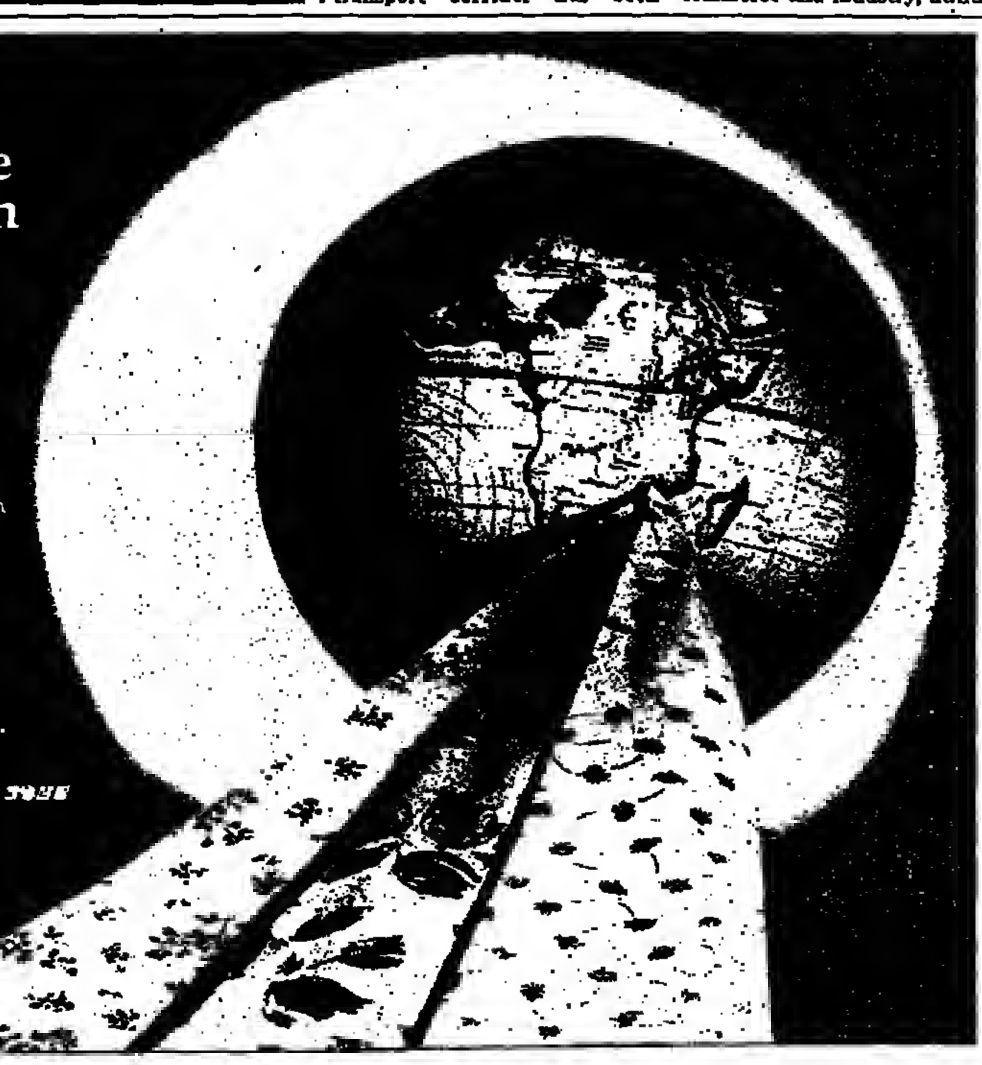
The most challenging company, however, is Press, not strictly a parastatal for its sbares are held by the President as trustee for the nation. It expanded to become tha largest privete sector company in the country.

Such was its position that little over a year ago one enthoritative report, noting that Press was insolvent, warned thet its debts to the commercial banks and ADMARC are sucb that these institutions would also be threatened with bankruptcy if Press were to go under."

Details of its current position are difficult to obtain, although outsiders believe that progress has been made. The major restructuring involved the creation of a new agricultural subsidiary (Press Agriculture Ltd), minority boldings to be placed in an investment trust and eventually sold off, and the Covernment to take over the claims against Press by the commercial banks and the external creditors, according to the same report.

Published figures for last year of the perastatal group excluding Press do not tell the full story, but the K4m overall loss in 1982 was reduced to under K0.5m in 1983 and the group was expected to show a net profit in 1984 — though Air Malawi and Malawi Railways remained substantial loss-makers.

ADMARC, bowever, has seen a major turnaround, benefitting not only from improved management, and cost-cutting, but from sales of maize to region. The corporation's surplus for 1984-85 is estimated at K8m.



Leader with bulldozing convictions

IT WAS for the first time in 15 years or more, so the officials said, that the President, Dr Banda (left), had agreed to meet a journalist. When we spoke (writes MICHAEL HOLMAN) in the panelled conference room in Sanjika Palace, set amid green lawns overlooking Blantyre, the President himself stressed that the occasion was unusual. "I do not see journalists for certain reasons," he declared, "but by and large The Financial Times has not been against us as some papers have been."

That said, the President nevertheless made it clear that several of the proposed questions were unacceptable. The 45-minute "audience," as his officials described it, exclnded many contemporary issues. The President declined to discuss the internal security problems in neighbouring Mozambique which have cut off Malawi's shortest routes to the Indian Ocean, events in Sonth Africa—with which Malawi has diplomatic relations—or the role of the Organisation of African Unity.

THE LIFE PRESIDENT did not show his 80 or more years. He looked fit and alert, often chuckling in the course of exchanges but occasionally revealing flashes of a character which leaves most of his ministers in awe.

Dr Banda confined himself to two broad themes: his campaign against the Central African Federation of Nyasaland (as Malawi then was) and Northern and Southern Rhodesia, and his determination lo make the most of Malawi's unrecognised agricultural potential.

In both he has enjoyed success: the Federation formed in 1953, lasted barely a decade, and the country's peasant farmers have been the mainslay of the economy.

Even by African standards, where many of the continent's leaders have come from humble origins and hattled against adversity, Dr Banda's story is remarkable. Born in Kasungu district in central Malawi soon after the turn of the century, Dr Banda was barely a teenager when he decided that his Presbyterian-run "school" (an open air class held under a Kachere tree, today the site of a national monument) would not satisfy hts curiosity about the outside world.

Like many of his countrymen, he began the long migration south to the farms and mines of Southern Rhodesia end South Africa but an early job as a hospital orderly in a small Rhodesian town whetted his appetite for medicine.

A spell in the South African mines followed before Dr Banda enrolled for a teeching diploma at Lovedale College, in South Africa. It was the first of a series of colleges and universities in the U.S. and Britain—where he studied medicine at Edinburgh — from which he emerged as a highly qualified doctor who was to practise in Liverpool and North Shields during World War II, moving to London in 1945.

The turning point in an already exceptional life came in 1953 with the formation of the Federation, seen by Dr Banda and other nationalist leaders as an attempt to consolidate white settler domination of the three territories, and as an abrogation of Britain's role.

Outraged, he left England for Ghana, but in 1958 returned to Malawi to lead a tumultuous campaign of fiery opposition to federation. Within months of his return the colonial authorities declared a state of emergency and, in March 1959 Dr Banda was flown to the Rhodesian town of Gwelo, where he was detained for a year but released when it had become clear that Nyasaland was ungovernable without him.

At the 1961 elections the Malawi Congress Party swept the board and in 1964 Malawi was independent.

From the start Dr Banda set himself apart, infuriating other African leaders hy calling for dialogue not confrontation with South Africe, increeslngly scornful of the Organisation of African Unity, and dominating his party in a fashion which brooked no opposition.

The country today is perhaps the most conservative in Africa, where some of the manifestations of the changing outside world are kept at bay.

The interview began on an uncontentious note: What did the President see as his main achievements since independence?

Answer: I think two—unity and the improvement of the standards of living of the people. I should probably go further and explain the first. As you know, in Africa no matter what country you visit there are tribes. There is no such thing as just a nation.

Nations in Africa are made up of tribes, and we were here divided. I am a Chewa myself from Kasungu in central region, which is the largest single group. But to the north are Tumbuka and Ngoni and others.

"When I came back home I said, 'Look, you have called me here to get rid of this Federation and give you your own government. But there are certain things you have to do first, and the first of these is to achieve unity. Unless you agree to that I am going back to Ghana to practise medicine. I do not want to live among a collection of quarrelling tribes.' That was my phrase.

Q: When you left Britain in 1953 it was out of disgust over the creation of the Federation, which you opposed?

A: I was not disgusted, I was furious, angry, and I will tell you why. For years and years the British had said they were *here in Nyasaland* not *to rule* us forever, hut only to guide us until the time we would he in a position to rule ourselves. But here were the same British handing us over, hand and foot, to European settlers. No, I was not going to swallow thet.

So I closed my surgery in Willesden and went to the Gold Coast (today, Ghana), and swore that if my people in Nyasaland accepted federation I would never set foot on the soil of Nyasaland. But if at any time the *regained* their courage to fight the Federation then no matter what I was or where I was, I would give up everything.

Q: The man whom the Zambians call "destroyer of Federation," once *jailed* by the colonial authorities, visits Britain this month as a guest of the Qneen. The wheel of *history* has turned — what episode stands out for you?

A: When I was aroused by a very loud knock at the door (Nyasaland, March 1959), at five o'clock in the morning, and picked up in my pyjamas. They *(the police)* were so *frightened*, they did not want to give me a chance to dress. It was not until Chileka airport (Blantyre) that they gave me my clothes, two minutes before flying to Gwelo (in Southern Rhodesia), where Dr Banda spent a year in detention. That is the episode.

Q: Any other episode that stands out?

A: My release from Gwelo. Again, it was five o'clock in the morning. There was a knock at my door. "Open, open the door." I opened the door. "Please dress, we're going home." And we flew to a little airport near Zomba (the former capital of Nyasaland).

Q: Do you think that the *Colonial Secretary* of the day, Alan Lennox-Boyd, ever looked hack and felt that he had made a serious mistake in detaining you?

A: Well, I don't think one should hlame Lennox-Boyd. He was *getting information* from the Governor. The man to hlame is Sir Robert Armitage, because he was on the spot, he was the one reporting, getting orders from the settlers.

Q: Turning to more recent *events*, Malawi *went through* a difficult economic period in the late 1970s. Are you on the path to recovery now?

A: Very much so. But even then—I accept what you say—we were much better off than other countries. Even when we were at our worst here, we were much better off than other *countries*.

At least we eat, and even in the remotest parts everybody is decently clothed, and every year people are demolishing mud and thatch houses and building a brick house with corrugated *iron sheets for the* roof. And it is not just town dwellers. People with money are not in the cities, but the farmers in the villages. It is far more profitable to be a farmer.

Q—There is considerable debate about where *agriculture* in Africa has gone wrong, yet Malawi is self-sufficient in food and has sustained export crop production. What lessons does Malawi have to offer?

A—If I have any message or lesson it is this. In Africa to me it is absolute stupidity, not wrong but stupidity, to usa state agriculture. It must be ordinary farmers, individuals. Local people must be allowed to have a plot of land, under the traditional system, but with *state agricultural* offirers to teach them how to use that land properly. That is the system here.

The small farmer is my first concern. Not the hig farmer, they can look after themselves. The small farmer is my main concern. I must see to it that he ia supplied with whatever is needed, because over 90 per cent are small farmers.

Q—Do you look hack on any policy you have adopted and say to yourself: I wish I had made a different decision?

A—No. Not at all, just the opposite. I have no regrets whatsoever. Everything I planned to *do*, I *did*, and it became a success, even when others were doubtful. You see, I am a man lika this: if I em convinced within myself that this is the right thing to do, no matter who opposes, I go ahead. It's a hulldozer.

The warm heart of Africa

Tourism

PATTI WALDMEIR

WHETHER one is after the mundane pleasures of sunhathing on a palm-lined beach next to Malawi's placid inland sea, or the more esoteric pursuit of rare wild orchids among the *exotic* flora and fauna of the Nyika Plateau, Malawi—in the words of one early explorer —"puts one in mind of paradise."

From the rustic Ku Chawe Inn, which commands a breath-*taking* panorama *of* the plain from its perch on the 2,133-metre Zomha Plateau, to the *tastefully-designed* Capital Hotel in Lilongwe, accommodation is comfortable and pleasant.

While scenery covers the gamut from alpine highland to steamy tropical lakeshore, the human landscape *remains* somehow consistent: Malawians, as a nation, are open and hospitable, with, it appears, a genuine interest in the foreigner.

Despite its charms, Malawi remains an out-of-the-way destination *for most* of the upmarket European/American long-haul crowd, with the bulk of its visitors still coming from neighbouring Zambia, Zimbabwe and South Africa.

While a limited amount of tourism davelopment is going on plans are in hand to construct a 150-room hotel at Cape Maclear, which just juts out into the sparkling waters of Lake Malawi, and two other lakeshore lodges are now being renovated —it is difficult to avold the conclusion that Government's heart is not really in tourism promotion.

The 1985-86 budget makes scarcely e mention of tourism as a revenua spinner.

Government officials explain this apparent ambivalence this way: Malawi is a conservative *(not to say puritanical)* country, which values the sense of cohesive national identity forged, in larga part, by the powarful *personality of the life* President.

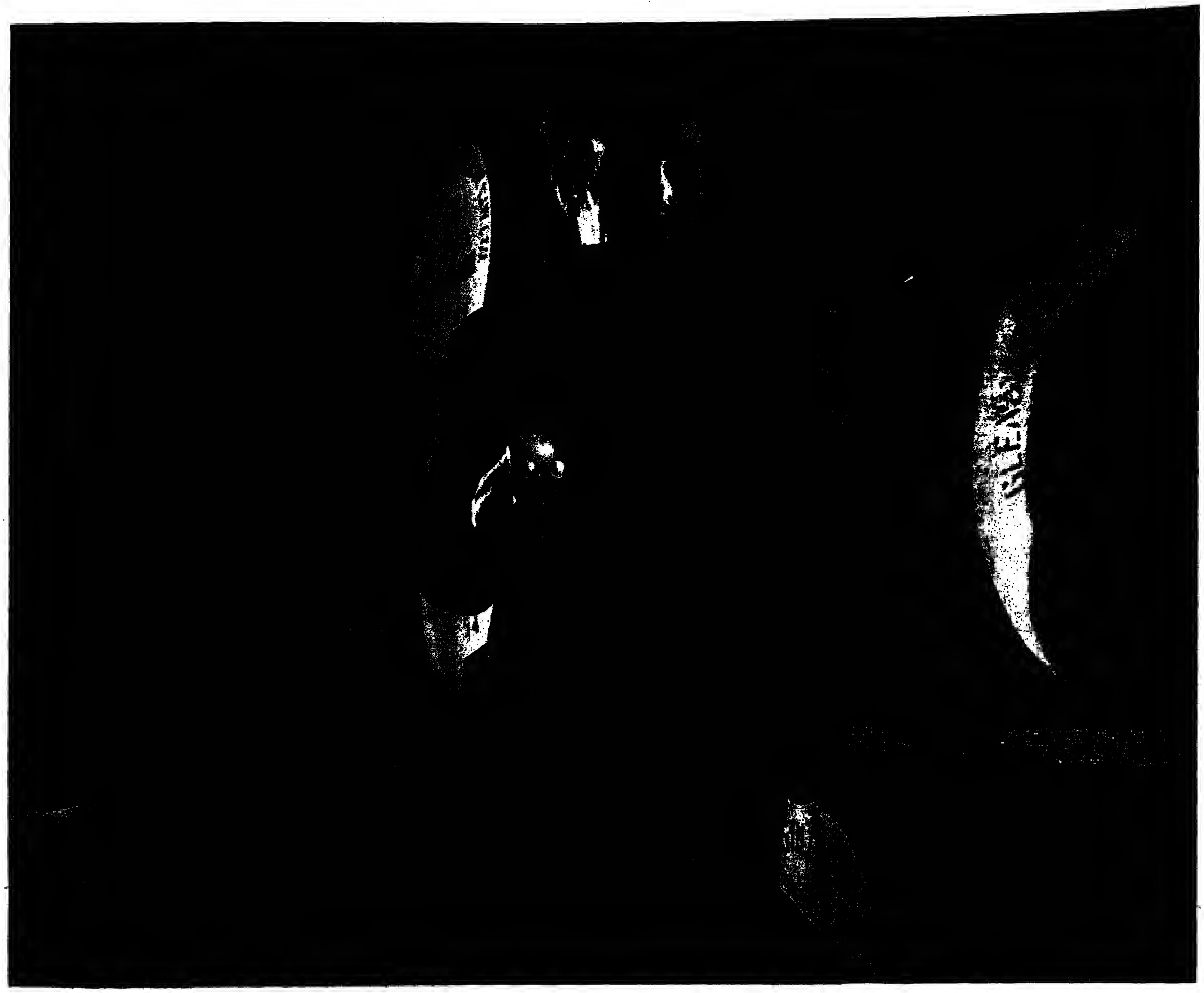
"We're not sure we're prepared to risk the destruction of that *identity* for tha benefits that tourism would bring," says an official.

In short, there is little evidence that Government has a firm strategy on how to compete.

Too *small* and *isolated*. to go-it-alone in the long haul market, Malawi's choice is either to piggyback on to package tours to Zimbabwe or South Africa, or to draw on the regional pool of tourists from neighbouring countries.

Very few piggyback tours are targeted at the wealthy U.S. market and those which *originate* in Britain—24 days in South Africa and Malawi are on offer for £2,103, and 17 days in Malawi and Mauritius for £1,383—are well beyond the reach of most European tourists.

Once in Malawi, however, the delights are undeniahle.



ODDLY ENOUGH, IT'S THE PERFECT ACCOMPANIMENT TO A SMALL WHISKY.

FOR OVER 200 YEARS THE GLENGARIOCH DISTILLERY HAS BEEN TURNING BARLEY, PEAT AND WATER INTO A FINE 10 YEAR OLD MALT. BUT IT WASN'T UNTIL A FEW YEARS AGO THEY REALISED THAT IN THE PROCESS THEY WERE WASTING A LOT OF MONEY. (A SITUATION NO SELF-RESPECTING SCOTSMAN COULD ALLOW TO CONTINUE.) WITH HELP FROM THE DEPARTMENT OF ENERGY THEY DECIDED TO INTRODUCE A PILOT SCHEME. THEY WOULD UTILISE THE WASTE HEAT TO GROW HOTHOUSE TOMATOES.

CLEARLY SOME MEANS OF MONITORING THE SCHEME WAS NEEDED. WITHOUT KNOWING WHERE THE SURPLUS ENERGY WAS BEING PRODUCED AND HOW MUCH WAS REACHING THE GREENHOUSES, THERE WAS NO WAY OF CALCULATING THE SYSTEM'S EFFICIENCY. THE PROJECT'S ENGINEERING CONSULTANTS INSTALLED A HEWLETT-PACKARD DATA ACQUISITION CONTROL UNIT, LINKED TO OVER FORTY SENSORS. NORMALLY, THE JOB OF MONITORING THIS NUMBER OF SENSORS COULD ONLY HAVE BEEN DONE BY AN ENGINEER WORKING THREE DAYS A WEEK. BUT, AS IS SO OFTEN THE CASE, WE MADE A UNIT THAT COULD TAKE THE TASK IN ITS STRIDE. BECAUSE OF OUR RESEARCH AND DEVELOPMENT PROGRAMMES ($592 MILLION LAST YEAR) OUR CLIENTS OFTEN FIND OUR PRODUCTS HAVE NO COMPETITION.

IN 1984 THE MEN AT GLENGARIOCH RECKON TO HAVE SAVED £236,000 IN FUEL COSTS WHILST PRODUCING A BUMPER CROP OF TOMATOES WORTH WELL OVER £100,000. WE'D WELCOME THE CHANCE TO MAKE THE SAME KIND OF IMPRESSION ON YOUR BUSINESS. TO START WITH WHY NOT WRITE TO US AT THE ADDRESS BELOW. YOU MAY BE WRESTLING WITH A PROBLEM OR STUMPED FOR A SOLUTION. WHATEVER, TOGETHER WE CAN PROBABLY COME UP WITH THE ANSWER. HEWLETT-PACKARD LTD., CUSTOMER SUPPORT CENTRE, ESKDALE ROAD, WINNERSH TRIANGLE, WOKINGHAM, BERKSHIRE RG11 5DZ.

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TECHNOLOGY

EDITED BY ALAN CANE

WIND POWER EVALUATION PROJECT

'Egg beater' takes the air

BY ELAINE WILLIAMS

A VERTICAL axis wind machine, one of the two principal kinds of wind engine under assessment by the UK Department of Energy, is now under construction at Carmarthen Bay in South Wales.

The project, which is part of a DoE programme to evaluate the potential for wind energy in the UK, will cost some £3.5m.

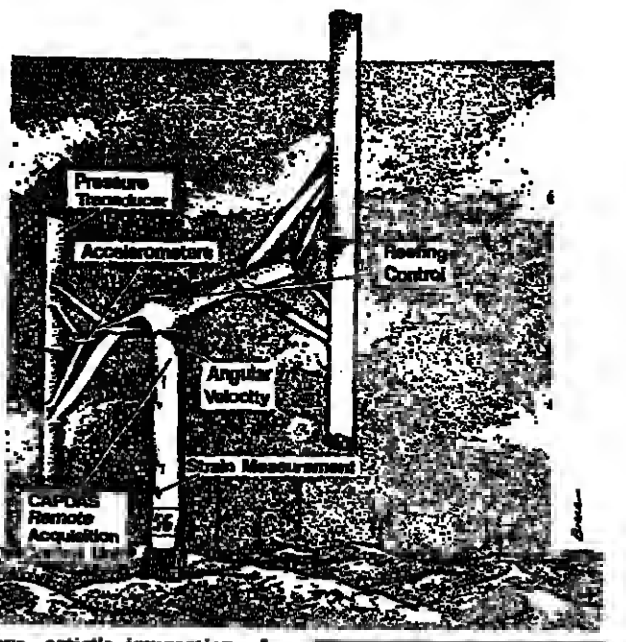
Vertical axis machines have an action reminiscent of a giant egg beater whisking through the air; horizontal axis machines, on the other hand, are like traditional windmills: they resemble giant eeroengines on masts.

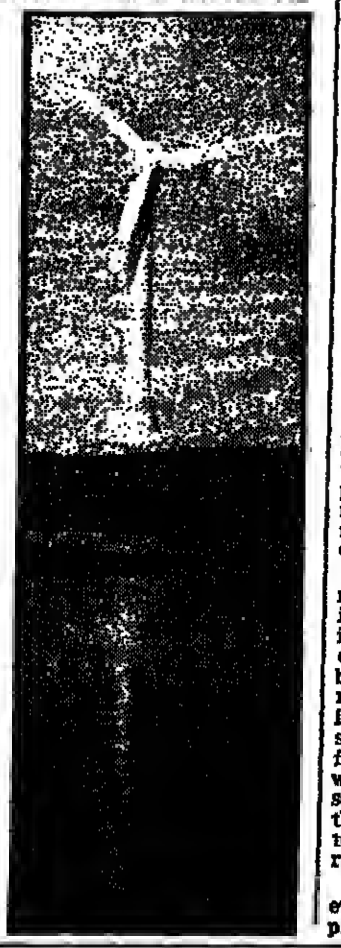
Since the late 1970s, the Department of Energy has been carrying through a wind programma comprising two major projects. A 20-metre rotary or horizontal axis prototype was completed in September 1983 at Burger Hill on the Orkneys. A larger 60m diameter machine will be ready later this year. These machines have been built and partly funded by the Wind Energy Group which is made up of British Aerospace Dynamics, Taylor Woodrow Construction and GEC Energy Systems.

In the rival camp, championing the new vertical axis machine, is a consortium led by Sir Robert McAlpine and Sons, NEI Cranes and the CAP computing services group. By the end of the year a 25m diameler bladed machine will be in operation. It will be under evaluation for two years by the Energy Technology Support Unit at Harwell working on the DoE's behalf. Vertical Axis Wind Turbines, a company jointly owned by Sir Robert McAlpine and Sons end Northern Engineering Industries, will build the prototype.

The McAlpine machine has two 25m blades which will allow a generating capacity of about 160 kw. As the wind speed increases, the angle of the blades alters as they sweep through the air. In very strong winds, the carbon fibre blades are fully vertical, in which state they will not stall or run out of control.

At every position, the wind machine is monitored by a system developed by CAP. Three Digital Equipment PDP11 computers log signals from more than 200 sensors placed on the structure taking measurements of stresses, wind conditions and vibrations. If any sensor should detect stress exceeding specified limits, the computer system will eutomatically shut down tha turbine.





Above, artist's impression of a vertical axis machine; right, a Howden horizontal axis aerogenerator

The CAP data acquisition system incorporates extra microprocessors for control and uses optical fibres to carry data eround the system. Optie fibres are used to reduce tha danger of damage to electrical equipment in case of a lightning strike.

Experience gained on the Camarthen Bay prototype will be used to design another vertical axis machine four times the physical size for completion in 1988.

However, the consortinm hopes to have at least one commercial machine in operation before then. It has obtained planning permission to build e medium sized vertical axis wind machine at Mount Todden on the Isles of Scilly.

The hope is that both consortia will be abla to export their wind turbine technologies before the end of the decade. But competition is fierce—Japan, Sweden, West Germany, the U.S. and even China have long standing, and well developed, national wind energy programmes.

Even in the UK, another British engineering company, James Howden, has already had export success selling a number of 330 kW machines to American electricity utilities including Southern California Edison.

'The cinema really is the place to see a film'

Video & Film

BY JOHN CHITTOCK

ONE OF the declared aims of British Film Year—which starts in earnest next month—is to make the public realise that "the cinema really is the best place to see a film." The justification for this statement hardly needs explanation—compared to a television screen, film projection in a cinema yields sharper, bigger and better graded pictures (although rarely brighter ones). In most auditoria, film projection also yields better sound quality—although television and video sound reproduction is improving prestissimo.

The other major aim of British Film Year is to increase cinema attendances. Latest annual figures show e further drop of 20 per cent, but the decline of the cinema as a visual experience of magnitude is perhaps more poignantly expressed by the fall in the number of UK cinemas with a seating capacity exceeding 2,000—in 1952 there were 207; now there are three.

The only platform on which the cinema can effectively argue its case with the public is one of quality—in the environment of the auditorium and the technical excellence of those pictures on tha screen.

As far as the enditoria are concerned, some steps are being taken to improve comfort and facilities. The real need facing British Film Year is to educate or motivate the public in matters regarding the fidelity of images on the screen. Since more people now see feature films on video in one week than attend the cinema in one year, it is clear that the general public care little eboul the niceties of picture quality and impact when set against the convenience of fireside viewing.

Even the television industry recognises the public's general insensitivity to the quality of its transmitted pictures. Extraordinary care is lavished by the broadcasters to achieve optimum picture quality; the TV industry has even established standardised viewing conditions for checking picture quality—where ambient room lighting, screen brightness and colour of the surrounds are all specified to avoid any distortion in results.

The typical household, however, is viewing its television pictures under conditions ranging from average to appalling. Technically, British television is capabla of yielding quality possibly better than any other system in the world — but rarely is that quality echieved in the bome. The problem is partly due to badly adjusted sets, inadequate aerial systems or incorrectly sited aerials, and many people might be surprised at the improvements possible if an engineer visited their bome for just one hour.

They only might be surprised because still too many do not recognise good quality when they see it. For British Film Year, this message ought to be the cutting edge and the unique selling point ebout the cinema — fer more important than the social ambience of an anditorium. Uofortunetely, the public's preferred viewing medium for films — video — is regarded by some people in British Film Year es a slightly unsavoury word and this opportunity has not been seized to try to educate the public in the differences between cinema and TV viewing.

Yet the cinema continues to make strides in presenting a visual experience that television could never match. Anyone wishing lo see almost the ultimate example of this should pay a visit to the National Museum of Photography, Film and Television in Bradford, where a 70mm Imax cinema now operates. The Imax system uses 70mm wide film which runs through the projector horizontally, yielding an exceptionally large frame size; projected on to a screen that towers over the eudience, it yields pictures of extraordinary realism.

The National Film Board of Canada is currently producing a 3D Imax film (using a stereoscopic pair of 70mm films) which will yield, perhaps, the ultimate cinema experience. In the meantime, the Bradford Museum changes its programme this June to bring in a new Imax film shol on the U.S. space shnttle; advanced clips I have seen of this promise a spectacle that television and video viewers could never even imagine — least of all if the conventional cinema is unfamiliar to them.

The paradox about the technical experience which only the cinama can offer is enshrined in that statistic of a mere three auditoria left with 2,000 seating capacity. Cinemas and screens are getting smaller and smaller. How long before the differences in television and cinema viewing are indiscernible lo an indiscriminating public?

If British Film Year is doing little to educate the public in the technical impact of imeges, it is trying to educate our children and teachers in the cultural value of film. Some 2,000 schools are being circulated with study guides about specific films, and eddilional guides have been prepared for teachers. The aim is to reach Im children during the Year.

The ideas behind this educational programme are important because they belp to delineate how film is different from, but no less worthy than, literature. An example from one study guide exemplifies this approach in pointing out that the novel of A Passage to India spans 300 pages and takes at least two days to read; but the film lasts only 163 minutes. This poses en interesting thought for the inquisitive child—"something has happened in the transition from print to moving image," a statement which leads to all manner of written classroom exercises that provoke deeper consideration of film and literature as different media.

There is, however, another irony. The study guides will be distributed to schools in eccordance with the cinema release patterns of the films in qnestion. For those unable to see the film—because there is no local cinema or the films are on the wrong circuit—would it be such an outrage for pupils to view the material on video; in the convenience of their own classrooms; with an opportunity to stop the film and study various sequences et leisure?

Which in turn could spawn a new study guide—on tha differences between video and the cinema. For the next generation, brought up on video, regrettably such an exercise could assume historical overtones.

Finance

The bank in your pocket

AND NOW, the bank in your pocket. Citicorp, parent of Citibank, the world's largest, is testing a palm-sized personal compuler terminal that will let people around the U.S. do business with the New York based company without the need lo enter a bank.

The new lerminals, abont the size of a pocket calculator, can be plugged into a telephone and allow a customer to check his balance, transfer money between eccounts, look up recently written checks and pay certain bills. No charge for the terminal has yet been decided.

Information

Expert

A COMPUTER program which warns executives wben their company is not performing to plan and gives advire about the probable reasons for the slippage bas been developed by Intelligent Environments of London.

Called "Trigger," it is an expert system, a program with a measure of reasoning built into its operations so that it can take a "bumanlike" view of data presenled to it.

What is more, the company claims, tbe system learns progressively more about what it is supposed to do, the more it is used.

Safety

Rescue

THE OLD "breeches buoy" method of saving lives at sea seems to have been the inspiration behind a new method of evacuating people from offshore platforms during emergencies.

Devised by GEC Mechanical Handling, it consists of a capsule for 16 people which travels on two wires between the rescue ship and the platform. A third wire gives control signals to the system.

Two bundred people can be evacuated in 75 minutes, GEC says. Full scale sea trials were conducted recently at the Statfjord field in the North Sea.

Engineering

Lasers

LASERS can be used to provide a constant "reference line" for the measurement of large engineering structures. Lasercheck of Burnham in Buckinghamshire bes developed a system which combines a low powered industrial laser and movement delectors to give a system which, the company claims, will give a resolution of 0.2mm over distances of up to 100m.

The movement detectors are attached to the engineering structure and tbe laser beam is fed round the structure by prisms and mirrors. Aoy movement of the detectors relative to the beam is instantly picked up. Using this method, Lasercheck reckons to be able to survey bridges, buildings, tunnels, dams, diaphragm and retaining walls, slag heaps and offshore structures.

Data systems

Growing

CORPORATE computing will grow at an average annual rate of 37 per cent by 1990 according to Input, a London-based computer and communications research firm.

Some 80 per ceot of the total will be end-user computting using personal computers and intelligent terminals, the study concludes.

It says there will be a shift from traditional transaction processing to analytical and decision support processing.

Computing

Protection

NO DATA centre should be without a copy of the first of a series of guidelines lo the 1984 Data Protection Act published by the Data Protection Registrar.

It includes a general introdnction lo the Act and guidance to data users and compnter bureaux on the way the Act applies to them.

Copies can be had from the Registrar in Wilmslow, Cheshire.

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

Clearing banks

Trying hard, still learning

BY WILLIAM DAWKINS

JUST OVER a year has passed since Britain's clearing banks came under fire in a government report for failing to assist their small business customers adequately.

Little has changed since then, believes Hugh Aldous of accountants Robson Rhodes, authors of the Department of Trade and Industry-sponsored study on the Loan Guarantee Scheme. "Some groups of managers are beginning to emerge who have an understanding of the tremendous problems of young companies," he concedes. "But the majority still doesn't appreciate the importance of a proposal being both commercially thought out and appropriately backed."

The report elicited a fiery reaction from the banks, which pointed out that while they were still on an upward learning curve, they were playing an increasingly constructive role in the development of small businesses. Elsewhere on this page, a manager from each of the four big clearers gives further evidence of how the banks' small business policies are changing.

Robson Rhodes' chief allegations were that bank appraisal techniques were patchy and placed too much reliance on work done by others, that most bank managers saw their small business clients as unworthy of the disproportionate amount of time which they can command, and that many managers were more interested in keeping up the volume of transactions through their branches than giving small companies the special attention they need during their vulnerable early years.

Stan Mendham, chief executive of the Forum of Private Business, says: "They still haven't got to the point of fully training their managers to understand our problems." Monitoring is a particular weakness, he claims. A survey of the forum's 5,000 members conducted in 1981 showed that 85 per cent of them had not been visited by their bank manager for six months, and Mendham believes that the result of a similar poll to be conducted later this year will not be very different.

The fault lies partly with the small businessmen themselves, admits Mendham, who argues that they tend to be unnecessarily frightened about approaching managers. "The small businessman still looks at the bank manager as something other than a supplier of money. If he gets his attitude to the bank manager right, it will help the bank manager get his attitude right to the small businessman," says Mendham.

To be fair to banks, they have their own special problems in adjusting to change. "It's hard teaching old dogs new tricks," privately admits one senior clearing bank executive. Their often unwieldy bureaucratic structures, with many thousands of branches, mean new policies can only be implemented slowly.

Career structures with an emphasis on shifting personnel every couple of years make it hard to achieve continuity when it comes to appreciating the individual problems of small business customers. The chances are that a successful branch officer will quickly be promoted to a managerial job far removed from what he has learned to do best: lending to clients.

Says Aldous: "They are structurally bad at generating any kind of specialisation. In that sense, the clearing banks are private sector carbon copies of the civil service, where you get a gifted amateur spending two years in any one job. They bowl along from one thing to the next without any training in the real world."

Banks have also been repeatedly criticised for being too willing to lend if some security, such as one's personal assets, are offered, and not willing enough to take risks when it comes to lending to good commercial propositions with only a little asset backing.

The latter criticism points to a widespread misunderstanding of the logic behind the banks' lending activities. Their prime interest has to be in ensuring that loans are repaid. So the banks' ability as lenders (as opposed to investors) to take risks is limited by the fact that they get no direct reward for their customers' possible success, apart from the chance that they will grow into bigger, better quality clients.

Graham Bannock, a small firms' management consultant and author of a study comparing UK and German banks' attitudes to the sector, explains: "You can't expect a large bureaucratic organisation like a clearing bank to behave like a Californian venture capitalist. It's not fair to berate the banks for not doing things which they can't do."

No standing back

Norman Dodson

NORMAN DODSON, the 45-year-old manager of National Westminster's Edgbaston branch on the outskirts of Birmingham, reckons he drives about 1,000 miles per month visiting his small business customers.

"There is no way that you can do this job if you stand back," he says. "We both want the thing to work, and they are entitled to expect me to go. After all they are paying me—I'm not paying them."

Dodson's comments underline both the importance of small businesses to his branch—two-thirds of its corporate customers employ less than 100 people—and the necessity of closely monitoring company accounts in a region where the pace of economic recovery is far slower than in the prosperous south.

The big change in the two years nine months since he took over the branch has been in the extent of financial information required from prospective borrowers and existing customers, mostly engineering and service companies. High inflation rates in the past have tended to mask trading losses by creating artificially high stock profits. Now that cushion has gone, says Dodson, "initial problems tend to get larger a lot more quickly than they used to."

"That means we have to be a lot more demanding nowadays in the kind of information we ask for," he explains. Potential borrowers' business plans must at the very least contain accurate cash flow forecasts and some evidence of market research.

"You don't expect them (the customers) to be financial geniuses, but you do expect them to know the value of financial information, otherwise they can't make financial decisions," says Dodson. "And the very discipline involved in writing out a business plan tends to remove any illusions that they might have about going into business."

Dodson has no hard and fast rules about the personal guarantees required from small business borrowers. He tends to concentrate more on the commercial soundness of the proposition and the proportion of debt to the equity in the business. "Someone who is prepared to put some of his own cash into the business is very impressive," he adds.

Existing borrowers are normally asked to submit monthly management accounts in the early stages and always expected to inform the bank immediately of any variations from the original budget. "The problems are not always what they think," says Dodson. One frequent source of difficulty, he says, is managers' failure to understand the crucial difference between profit and cash flow.

"A surprising number of people feel that if they make a profit, it goes straight through the business and is there to spend. They don't appreciate that it may get swallowed up into working capital. We have seen several businesses go down when they are apparently making good profits," he says.

Bread and butter

PARSER. That curious-sounding acronym is engraved on the heart of Rod Armitage, a manager at Midland Bank's Watford area office.

It stands for the six basic principles which Armitage bears in mind when assessing a lending proposal: personal attributes of the borrower, amount, repayment ability, security, expediency and remuneration. But despite the apparently mechanistic nature of that code, Armitage maintains that the bank is becoming increasingly flexible in its attitude to small business lending.

"There is more of a realisation that small companies are bread and butter business for us," says Armitage, who adds that this is especially true in Watford, where 90 per cent of the bank's corporate customers employ less than 100 people in sectors ranging from electronics through printing to transport.

Rod Armitage

The bank takes a more relaxed view, for instance, on the proportion of debt to equity it is prepared to accept than it did a few years ago, when one to one was the norm. "We are less hidebound by ratios than we were," says Armitage. "They are a useful guide, but at the end of the day, we are looking at who we are dealing with, what are his plans, how sensitive they are to failure and whether they will work."

This is partly an effect of the growing competition for accounts between local banks. Says Armitage: "All of the banks have come to realise that they have got to be more commercial. There is always somebody somewhere prepared to do it, whether it be Barclays today or us tomorrow."

A tougher line

"A LOT of small businessmen believe that if they can provide security, the bank will lend. We are not glorified pawnbrokers."

John Kerley

Stern words from John Kerley, deputy manager for three years at Lloyds Bank's branch in Corn Street, Bristol. They give an important clue as to why the bank is attempting to be increasingly discerning in its lending to small companies and is taking a tougher line over the kinds of risk it is prepared to accept.

Thirty-nine-year-old Kerley believes Bristol is an overbanked City. With two-thirds of his new customers coming from other local banks, he might easily be tempted to take on more marginal propositions in an effort to keep up lending and deposit volumes, which by his own admission are advancing at an unexciting pace.

Instead, the branch is being cautiously selective. "We are looking for businesses with prospects, which could benefit from the corporate expertise that we have at this branch," he says.

This is partly because of the experience of the late 1970s, when Lloyds and other banks "fell victim to the numbers game" only to suffer from a spate of bad debts a few years later. Chastened by that lesson, Lloyds in Bristol now takes a far more critical look at prospective borrowers' business plans.

"We are now testing the figures, rather than taking them at face value as we did a few years ago," says Kerley. "We try to take off the businessman's rose-coloured spectacles and make him look at the prospects more realistically."

The handful of high technology businesses that his branch has lent to have had their plans tested by the Cranfield Institute of Technology's appraisal scheme. Other customers come from a broad range of sectors, including engineering, construction, retailing and farming, with five management buy-outs joining the books in the past year.

Lloyds' more discerning policy has also been extended to existing customers in the sense that staff are spending more time on monitoring and giving corporate advice to borrowers in trouble. The average customer is visited twice annually, and the branch likes to run through management accounts monthly for new loans or quarterly for established borrowers.

This has—not surprisingly—driven up the branch's running costs, which it has tried to recoup by introducing fees for ancillary services like arranging loans. One spin-off has been a virtual stop in Loan Guarantee Scheme lending, though demand has also dropped since the premium was raised by two points to 5 per cent last summer.

Supportive role

ONE OF the most important services that a clearing bank can offer is that of a "connector" between small businesses and sources of venture capital, says Mike Hillyard.

As a manager in Barclays' Bene't Street branch in Cambridge, Hillyard is an example of an unusual breed of clearing banker. For Barclays, as highlighted in a recent report, The Cambridge Phenomenon, has played a highly supportive managerial and financial role in the development of the bulk of the 300 or so young high technology firms which have sprung up in the region in recent years. "Such commitment and involvement by a clearing bank must stand as exceptional," said the report.

Hillyard explains: "We are not looking for major risks, but we will support working capital against security." The branch aims to turn unacceptably high risks into bankable propositions by putting entrepreneurs in touch with venture capitalists who will provide start-up finance until a prototype and the first sale have emerged. That is the point at which the bank will step in.

The branch maintains close links with a number of venture capital groups, including the bank's own operation, Barclays Development Capital, as well as Baronsmead, APA, Oakwood and the local 3i office. Quite apart from being a useful way to cultivate the development of new customers, it helps Barclays ensure the timely financing of companies attempting to break into quickly changing markets.

"The speed at which technology advances means that the longer you delay, the more likely it is that the opportunity will be lost," says 45-year-old Hillyard. One problem, however, is persuading entrepreneurs to surrender part control of their ventures to outside investors. "Some people are violently against equity. We tell them that it is better to own 75 per cent of a company that is properly funded than 100 per cent of one that is cracking up," says Hillyard.

The branch also acts as a connection between small firms and management. It keeps contact with the half-dozen management consultancies in the area which specialise in supplying marketing, sales or financial skills which are generally outside the scope of a typical academically-trained Cambridge entrepreneur.

Hillyard points out: "Up to 90 per cent of small business failures are down to management. As they move through soft beginnings (with a high reliance on bespoke sales) they tend to move into more general markets which demand vast management experience. A lot of them go wrong in managing that transition."

Like other clearers, Barclays is demanding an increasingly high standard of business plan and likes to keep in close touch with young companies in their early growth stages. But it is also important to keep a balance between monitoring and interference, says Hillyard. "I don't want to place so many impositions on them in terms of management accounts that they can't get on with their business."

Mike Hillyard

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23/24 George St, Richmond
Tel: (01) 948 7953

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Send Barns Lane, Send
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100 N. Biscayne Blvd
Suite 1209, Miami, FL 33132
Tel: (305) 358-8087
Telex: 803237 EURO MIA

Plant and Machinery

SECOND-HAND PLASTIC Form and Fill machine required. Write Box F5631, Financial Times, 10 Cannon Street London EC4P 4BY.

THE PROFESSIONAL SALES ENGINEERING AGENTS INDEX

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The Link between Principal and Agent
Find your qualified, independent UK Sales Agents via the Institute of Sales & Marketing Management Engineering Agency Database.
Write to the Institute, Dept 103, 31 Upper George St, Luton, Beds.

Businesses Wanted

INTERMEDIATE BULK CONTAINERS

Major British public company wishes to purchase an established UK manufacturer of intermediate bulk containers.
In the first instance please contact Price Waterhouse Acquisitions and Mergers Service:
P.S. Padmore FCA, Price Waterhouse,
Southwark Towers, 32 London Bridge Street, London SE1 9SY
Telephone: 01-407 8989 Telex: 884657
Price Waterhouse

WANTED CREDIT DEBTS

We wish to increase our portfolio by the acquisition of Unsecured Credit, Hire Purchase or Loan Debts, with a book value of between £50,000 and £10,000,000. We will consider the acquisition of debt or complete companies.
Organisations wishing to discontinue the provision or funding of their own facilities should contact in confidence:
R. Pawson F.C.A. (Group Treasurer)
Provident Financial Group PLC
Colonnade, Sunbridge Road, Bradford, BD1 2LQ. Tel. 0274 733321

SWEDISH WORLD SENSATION NEW CONCEPT FOR DISPLAY & PROMOTION

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MESSRS EKWALL & AHRNE
Excellent Marketing, PO Box 336
London N10 2DX, England

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MANUFACTURING TABLEWARE AND KITCHENWARE
Reply in confidence:
The Managing Director
TEEDUR INVESTMENTS LTD
41 Don Street
St Helier, Jersey

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Write Box G10678
Financial Times
10 Cannon St, London EC4P 4BY

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wishes to purchase Trust business where Management can be moved to ZURICH, Switzerland SecretariesrTff
(6 times yearly nett profit offered)
Only business of acting as Trustee of Settlement or Discretionary Trusts (at present located anywhere) required
Full particulars in strict confidence to Box G10569, Financial Times
10 Canon St, London EC4P 4BY

BUSINESS'S AND PRODUCTS WANTED

Young expanding company with national distribution network supplying equipment to the food, catering and hygiene industries wish to take over/purchase suitable companies or products for manufacture to aid with their expansion programme.
Please send full details to:
Box G10664, Financial Times
10 Cannon St, London EC4P 4BY

WANTED

U.S. COMPANY WISHES TO PURCHASE:
(a) Bottling Plant
(b) Water Treatment Company
Any area considered, but London area preferred
Reply in confidence to:
Box G10663, Financial Times
10 Cannon St, London EC4P 4BY

TECHNICAL/MANAGEMENT CONFERENCE ORGANISATION BUSINESS WANTED

Outright acquisition or equity participation, recently retired director of plc with some experience in field. Not a competitor. Absolute confidentiality assured. Please reply to:
Box G10668, Financial Times
10 Cannon St, London EC4P 4BY

LONDON BASED BUILDING CONTRACTOR

Wishes to expand by acquiring specialist contractors or companies related to the construction industry.
Please reply in confidence to:
John Morgan, Morgan Lovell
52 Poland Street, London W1V 3DF

BUILDING & PROPERTY COMPANIES REQUIRED

With or without land bank and tax losses. We also require a building firm in Thames Valley with sound reputation and management.
Enquiries to:
James Darkins
MICHAEL SHANLY GROUP
Tel: (04946) 71331

MAJOR FIRM

Involved in insurance broking, life assurance, unit trust advisory services, pensions and benefit consultancy, seeks acquisitions Commission/fee income between £250,000 to £5m pa considered
Write Box G10280, Financial Times
10 Cannon St, London EC4P 4BY

ESTABLISHED PLANT HIRE FIRM WANTED

Immediate Takeover or Transitional Assignment
Contact: POWIS on
01-493 3767

INSURANCE COMPANY

Small insurance company required, onshore/offshore, trading/non trading. Independent group of producing brokers wish to purchase or joint venture. Principals only please. Enquiries dealt in strictest confidence.
Write Box G10677, Financial Times
10 Cannon St, London EC4P 4BY

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COMPANY SEEKS TO PURCHASE PARTS OF MAJOR GROUPS WHICH DO NOT FIT WITH FUTURE PLANS
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10 Cannon St, London EC4P 4BY

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Businesses for Sale

Vielhaber Skis (AVIEMORE) Ltd
(receiver appointed)

For Sale

The only ski manufacturing concern in the UK.

- high quality hand-made skis
- turnover 1984 £134,000
- leasehold factory 7,200 square feet plus separate shop area
- plant, machinery and stocks
- 15 employees at full production

The company is located in the Spey Valley, an area covered by the Highlands and Islands Development Board which can offer an attractive package of financial and other incentives.

For further details contact
D I Turner CA, Arthur Young,
George House, 50 George Square,
Glasgow G2 1RR. Tel: 041 552 4994.

Arthur Young
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

ELECTRICAL WHOLESALE DISTRIBUTOR

Offers are invited for the business and assets of a company selling electrical goods, cable, and accessories mainly to electrical contractors. It also specialises in the supply of new and reconditioned slot meters, and in energy conservation lighting.

Turnover is approximately £1 million pa.
The company operates from 3 retail premises in Bristol, Clevedon, and Weston-super-Mare.
Stock is computer controlled with terminals at Clevedon and Bristol.

Further information from the Joint Receiver and Manager:
Mr J. A. Heaford

Touche Ross & Co.
Queen Anne House, 69-71 Queen Square, Bristol BS1 4JP
Telephone: 0272 211622 - Telex: 44365

ROMP 'n' REST LTD., IN RECEIVERSHIP

Manufacturers of Baby's and Childrens wear supplying to major retail stores.

For sale as a going concern, comprising assets, stock, order book and goodwill, approximate turnover £700,000 per annum, 60 employees.

For details please contact
David Harrison or Mike Jones

Deloitte Haskins+Sells
Howard House, Lloyd Street, Altrincham, Cheshire WA14 2DE.

huntley & partners

MAJOR COASTAL HOLIDAY & COUNTRY PARK
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46 Mutley Plain Plymouth PL4 6LE Tel: Plym (0752) 262311

PROPERTY BUSINESS

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FOR SALE

including long leasehold retail investment property in premier South Devon coastal town
Annual income approximately £40,000 per annum

Write Box G10681
Financial Times
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Altrincham, Cheshire WA14 3HR

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Offers invited in excess of £65,000

Write Box G10674, Financial Times
10 Cannon St, London EC4P 4BY

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200 Madison Ave, NY, NY 10016
Tel: (212) 689-3048/(800) 236-3605
Telex: 422123

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FOR SALE
1984 TURNOVER £120,000

Write Box G10665 Financial Times
10 Cannon St, London EC4P 4BY

FOR SALE

Old established Glove manufacturer/importer (industrial and leisure gloves). Well known brand name, substantial net asset value approx. £500,000, turnover approx. £300,000.

Situated in North West

Apply for details:
ALEXANDER TATHAM & CO
Solicitors (Ref: DP)
30 St Ann Street
Manchester M2 3DB

FOR SALE
PROFITABLE SMALL WHOLESALE
HARDWARE & TOOL BUSINESS

S.E. ENGLAND
T/O APPROACHING £1M
requires relocation
with or without staff

Write Box G10669, Financial Times
10 Cannon St, London EC4P 4BY

BUSINESS FOR SALE

An old established Engineering Company in the East Midlands with a full order book, holding a substantial freehold landbank with industrial development potential

For particulars write to:
Box G10670, Financial Times
10 Cannon St, London EC4P 4BY

PLASTICS

Injection moulding and mould tool manufacturing company for sale, based SW. Turnover £300,000 ps. Fully equipped moulding facility with presses up to 200 tons and separate high calibre mould making facility.

Write Box G10657, Financial Times
10 Cannon St, London EC4P 4BY

COURIER COMPANY FOR SALE

Established WC1 based Motorcycle Courier Company largely servicing professions (including blue chip firms)
INVITES OFFERS FOR OUTRIGHT PURCHASE
Write Box G10673, Financial Times
10 Cannon St, London EC4P 4BY

CITY CENTRE FAST FOODS (EAST MIDLANDS). Newly refurbished. Run under management. Ideal as owner operator or Company. Anticipated turnover £200,000 p.s. Good Lease. National name and backing can be retained if required. Price only £110,000. For full details and brochure containing over 500 Fast Foods—Restaurants—Inns & Hotels Nationwide. Contact Business Sales (Notts) Ltd., 62 Goose Gate, Hockley, Nottm. Tel: (0602) 502290.

For Sale
Road Haulage Company

The Secretary of State for Scotland has directed the Scottish Transport Group to sell its wholly owned Road Haulage Subsidiary — MacBrayne Haulage Limited.

The Company's areas of operation covers a large part of the Western Highlands and Islands with a main depot in Glasgow.

With a fleet of 50 vehicles and 99 trailers and an annual turnover in excess of £2.7m for the year ended 31st December 1984 the Company is offered for sale by a share purchase.

For particulars write to:
Deloitte Haskins & Sells
Chartered Accountants
25 Abercromby Place
Edinburgh
EH3 6QE
who were appointed Professional Advisers to the Scottish Transport Group to handle this sale.

Deloitte Haskins+Sells

General Chromium Platers Ltd
(In Liquidation)

Located in Greater Manchester, the goodwill and assets of the above metal plating company, utilising a fully automated plating plant based in leasehold premises. Turnover approximately £500,000 per annum.

Further information may be obtained from:
The Liquidator, Mr Allen Griffiths, Thornton Baker
Brazennose House, Brazennose Street, Manchester
M2 5AX - Tel: 061-834 5414 - Telex: 667235

Thornton Baker

HENRY NORRIS & SON LIMITED

BUILDING CONTRACTORS (Established 1854)

Located in the Centre of Hertford

Offers are invited for the sale of the above business as a going concern — current rate of turnover £2.7m including £0.7m of small works. Nine major contracts in process, mostly nearing completion.

The assets include freehold properties, plant, vehicles, a fully equipped joinery shop, substantial stocks of materials, an order book and goodwill based on a long trading history.

Joint Receivers:
A. P. Locke and O. R. F. Sapte
BEGBIES
3 Raymond Buildings, Gray's Inn, London WC1R 5BH
Tel: 01-405 1219/1274

WELL ESTABLISHED ENGINE RECONDITIONING COMPANY FOR SALE

Presently engaged in reconditioning of Petrol and Diesel Engines, also Gearboxes sold through the Company's own retail outlets and agencies in Northern England and Scotland. This is a highly profitable and expanding market, there is considerable potential for future development. Situated in Enterprise Zone the property and assets were recently independently valued at £120,000. For early completion selling price of £180,000 plus stock at valuation.

For further information write Box G10679
Financial Times, 10 Cannon Street, London EC4P 4BY

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521 Fifth Avenue
New York, NY 10175
Tel: 212-752-7610

PROFITABLE WELL RUN COMPREHENSIVE GARAGE FOR SALE IN HAMPSHIRE

Filling Station, Accessories Shop, Workshop and Bodyshop, all subject to new lease from the proprietor. Business owned for many years and now being sold for retirement.

Further details from Box G10659, Financial Times
10 Cannon Street, London EC4P 4BY

FOR SALE
EUROPEAN HARDWARE IMPORTER AND DISTRIBUTOR

Suit similar UK based company Sales £1.5m. Profits in excess of £100,000. Substantial freehold assets. Excellent continuing management. Owner retiring

Write Box G10656, Financial Times
10 Canon St, London EC4P 4BY

INTERNATIONAL TIMBER GROUP

Viable project established covering large scale logging and sawmilling of West African hardwoods
Principals interested in opportunities please contact Box G10680
Financial Times
10 Cannon St, London EC4P 4BY

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Sprinkled and heated, freehold Factory 80,000 sq ft. Fully let with full repairing and insuring lease and 8 acres land

Asking price £196,000

Write Box G10658, Financial Times
10 Cannon St, London EC4P 4BY

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SUFFOLK
Charming Riverside Hotel

FOR SALE FREEHOLD
48 Bedrooms
Tremendous Potential

Write Box G10661, Financial Times
10 Cannon St, London EC4P 4BY

COMPANY engaged in exporting Engineering Products has tax losses of £200,000 Shortly to be reduced to shell. Available for sale or use. Phone 0602 841015.

PRIME SHOP UNIT, 37 George Street, Luton. New lease for sale. £15,000. Ref. CM. 26 George Street, Luton.

Leading South Coast Yacht Builder

High reputation, excellent product range, and outstanding growth potential from present turnover base of ca £1.5m
Present owners prepared to sell outright, or would consider a mutually beneficial merger with a related business

Details from the Chairman
Box G10682, Financial Times
10 Cannon St, London EC4P 4BY

OFFICE CLEANING CONTRACTORS

This well established company with a turnover of £400,000 offers an opportunity to those engaged in this field. Contracts located in Central London.
Write Box G10666, Financial Times
10 Cannon St, London EC4P 4BY

FOR SALE
LONDON BASED CATERING COMPANY

Current profit £½m+ pa
Scope for rapid expansion
Principals only write to:
Box G10667, Financial Times
10 Cannon St, London EC4P 4BY

SEVENOAKS, KENT
RESTAURANT AND WINE BAR

(Both licensed) Central position
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Details:
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ESTABLISHED BUSINESS in Earth Moving, Demolition, Asbestos removal for sale. Plant machinery, goodwill and order book with long-standing contracts. Write Box G10662, Financial Times, 10 Cannon Street, London EC4P 4BY.

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Opportunity to acquire a profitable, metal pressings business selling to national and international customers.
Situated in the centre of Coventry, on the ring-road, the business operates from modern, long leasehold premises providing 23,000 square feet of covered space at a peppercorn rent.
An additional 5,000 square feet is available.
The factory is well-equipped and maintained with modern machinery utilising computerised technology.
A skilled workforce and management team of 40 persons is available.
Interested parties should contact the Joint Receiver and Manager:

Cork Gully

R. A. Stone, FCA
CORK GULLY
43 Temple Row
Birmingham B2 5JT
Tel: 021-236 9966
Telex: 337892 COLYBM G

BLACKHILL WOOD GOLF CLUB

165 ACRES FREEHOLD
Close to Dudley, Wolverhampton
18 Hole Golf Course Par 70
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500 Existing Members
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56/62 Wilton Road, London SW1V 1DH
01-834 8454 Telex: 8954348
And at Manchester, Bristol & Liverpool

MEDICAL EQUIPMENT MANUFACTURER & CONTRACT ENGINEERING COMPANY

FOR SALE

Established twenty years. Sheet metal and light engineering with own range of specialised high quality products selling to hospitals. Turnover £350,000. 6,000 square feet of modern freehold premises. Located Home Counties. Owners retiring.

All enquiries to Box G10660, Financial Times
10 Cannon Street, London EC4P 4BY

Business Software for Microcomputers
Dorking, Surrey

The Receiver and Manager of Compact Software International Limited wishes to sell the copyright and business assets of the Company.

The Company operates from modern offices of 4,000 square feet in Dorking, Surrey, developing and supplying business application software for all popular brands of microcomputers. Included are a number of foreign language applications, including Arabic and Japanese (Kanji and Katakana).

Further information can be obtained from Maurice Moses, 1 Paper Mews, 330 High Street, Dorking, Surrey RH4 1QX Tel: (0306) 887373 or from The Receiver and Manager, Alan Barrett, Tel: (01) 236-6500, at the address below.

Deloitte Haskins+Sells
P.O. Box 207, 128 Queen Victoria Street, London EC4P 4JX

FOR SALE
OLD ESTABLISHED
AGRICULTURAL ENGINEERING COMPANY
MAJOR DISTRIBUTORSHIPS HELD

Write Box 10672, Financial Times
10 Cannon Street, London EC4P 4BY

BUSINESS FOR SALE
Horticultural and Mechanical Handling Equipment

A well established and profitable company based in Scunthorpe with leading horticultural franchises and a good forklift franchise is available for sale. Turnover approximately £400,000.

Please reply to Box G10675, Financial Times
10 Cannon Street, London EC4P 4BY

FOR SALE
CIVIL ENGINEERING CONTRACTORS
BASED IN CAMBRIDGESHIRE

Owing to forthcoming retirement of proprietor
Established 15 years, current turnover £1.3m pa. Full order book for 12 months. Freehold premises available approx 2.7 Acres

Write Box G10671, Financial Times
10 Cannon St, London EC4P 4BY

ENGINEERING BUSINESS
FOR SALE

Successful and established Surrey based engineering business with own developed product range connected with the electronic, communication, aerospace and defence industries. Turnover in excess of £1m with good profit record.

Enquiries to:
Ref: RHM/BCR, 54 High Street
Walton-on-Thames, Surrey KT12 1BW

Company Notices

GESTETNER HOLDINGS PLC

Holders of Ordinary Capital shares are reminded of their entitlement to scrip in lieu of the final dividend for the 52 weeks ended 3rd November 1984. Such entitlement, based upon each Ordinary Capital or "A" Ordinary (non-voting) Capital share held at 1st March 1985, is set out below:

	Ordinary Capital shares	"A" Ordinary (non-voting) Capital shares
Based on the average price of	103.8235p	83.5882p
For each share held, holders will receive	0.011283 of a share	0.014014 of a share

Fractions of new shares will be sold for the benefit of the Company. Scrip will be despatched to registered shareholders on 25th April 1985.

Bearer shareholders should lodge Coupon 120, with allotment instructions, at Barclays Bank PLC, Securities Services Department, 54 Lombard Street, London EC3P 3AH on or after 25th April 1985 for their entitlement to registered shares in accordance with the above.

Holders of "A" Ordinary (non-voting) Capital shares at 1st March 1985 are reminded that, following the approval at Extraordinary General Meetings on 27th March 1985, such shares have been converted to Ordinary Capital shares with full voting rights, and although their entitlement to the above scrip is calculated by reference to their shareholdings as they existed at 1st March 1985, they will receive their entitlement in Ordinary Capital shares.

FRIENDS' PROVIDENT LIFE OFFICE

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND FIFTY-SECOND ANNUAL GENERAL MEETING OF MEMBERS is appointed to be held at GLAZIERS' HALL, 9, MONTAGUE CLOSE, LONDON BRIDGE, LONDON, SE1 9DD, ON WEDNESDAY, 8TH MAY 1985 at 2.30 p.m.

1. To receive the accounts for the year ended 31st December 1984 and the reports of the Directors and Auditors thereon.
2. To elect Directors.
3. To appoint Auditors and determine the basis of fixing their remuneration.

In accordance with Rule 45 of the Rules of the Office, notice is given of a proposal for the re-election of Philip H. Watson, who is aged 70 and is one of the retiring Directors.

A Member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not also be a Member of the Office. The instrument appointing a proxy, a specimen of which is set out in Rule 30 of the Rules of the Office, must be deposited at Pixham End, Dorking, Surrey, RH4 1QA at least forty-eight hours before the time of the meeting. Proxy forms may be obtained on application to the Secretary.

Members intending to attend and vote personally at the meeting should be prepared to quote their policy numbers.

By Order of the Directors,
B. W. SWEETLAND, Secretary.

NOTE: A copy of the Annual Report and Accounts will be forwarded to any Member who makes application for one to the undermentioned address:

FRIENDS' PROVIDENT LIFE OFFICE
Pixham End, Dorking, Surrey, RH4 1QA

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Art Galleries

AGNEW GALLERY, 43 Old Bond St. W1. 629 6176. MODERN BRITISH WORKS OF ART. Until 26 April, Mon.-Fri. 9.30-5.30, Thurs. until 6.30.

MARTYN GREGORY: Dr Thomas Boswell Watson, Physician and Amateur Artist in China. 11th-28th April. 10 am-6pm (weekdays). 10 am-1 pm (Saturdays). 34 Bury Street, St. James's, London, SW1 (01-839 3731).

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Contracts & Tenders

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE
(Algerian Popular Democratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES
(Ministry for Energy and Chemical and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
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NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS

NUMBER 9152AY/DIV

The National Oil Exploitation Company is launching a National and International Call for Tenders for the supply of the following:

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Offers, of which five (05) copies should be prepared, must be sent in a double-sealed envelope, by registered mail, to the Secrétariat de la Direction Approvisionnements [Secretariat Supplies Division].

The outer envelope should not bear any mark that might identify the tenderer, or any heading, and should read: "APPEL D'OFFRES NATIONAL ET INTERNATIONAL NUMERO: 9152AY/DIV—CONFIDENTIAL A NE PAS OUVRIR." [NATIONAL AND INTERNATIONAL CALL FOR TENDERS NUMBER: 9152AY/DIV—CONFIDENTIAL DO NOT OPEN"].
Tenders must be received by 12 noon on Saturday 1 June 1985 at the latest.
Selection will be made within 180 days of the closing date of this Call for Tenders.

THE ARTS

London and Bristol Galleries/William Packer

Sculpture in a new perspective

It is the received wisdom of the international art community that, whatever else it might think or know of us, we British are rather good at sculpture. This is a healthy and gratifying prejudice which the British Council has always been at great pains to serve to our advantage and, indeed, justify by the hard (sometimes very hard) fact of the work it promotes abroad. The fruits of this policy accrue wonderfully; and for every major international festival or modern collection it is the latest British sculpture for which the distinguished jury or ambitious curator asks.

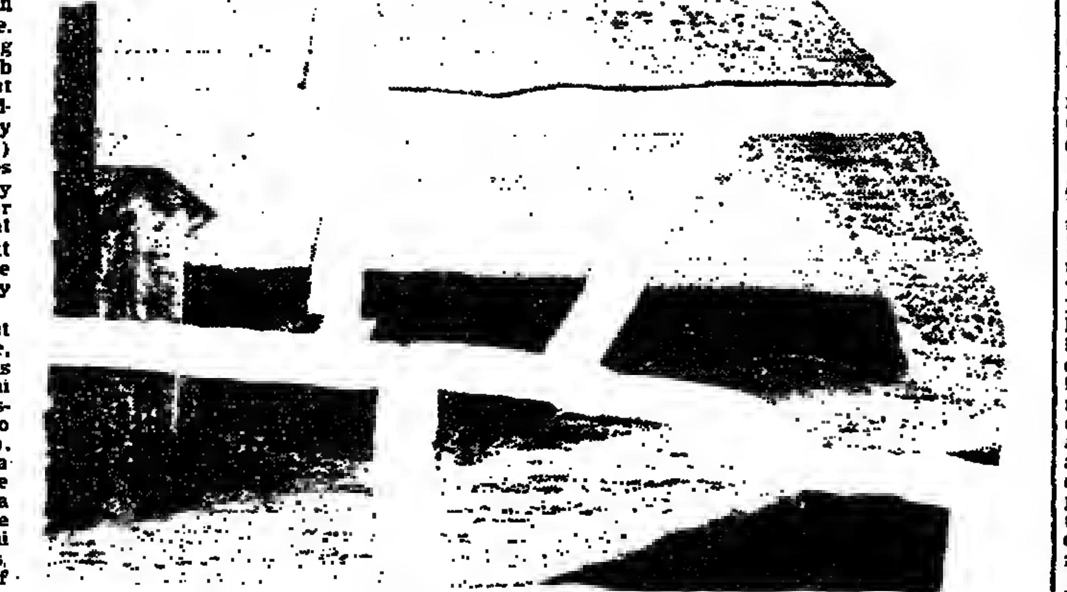
It seems at the moment that the work of this newest wave, in all its variety, is before us at every turn. At the Arnolfini in Bristol (until May 19, Tuesday to Sunday; then on to Nottingham and Oxford), Stephen Cox is showing a selection from his work since 1977 which is adapted from a much larger show he held late last year at San Giovanni Valdarno in Tuscany. It is, effectively a retrospective of his entire public career, for he first showed in London, at the Lisson Gallery, only in 1976 at the age of 30—we must take care thus to distinguish between new and young.

Since then, he has shown here from time to time, and taken part in many important mixed jamborees at home and abroad—Venice, Paris, New York, Whitechapel, Hayward, Tate—so his work is familiar piecemeal, and he already is well established. But this is his first major solo show in this country, and our first chance *to see him steady, and see him whole.*

He calls the show "We Must Always Turn South" — his affirmative answer to the rhetorical question put by *Adrian Stokes, a critic whose* writings have much affected him, at the end of his essay on the Quattrocento. He also gives it as the title of a small tondo he carved in 1981 at a most particular point in the development of his work: for then it was that he was first working in Italy, where he now spends so much of his time. It was then, too, that the ideas informing his work underwent a significant shift.

He had carved before, even made tondos before, and certainly had long been preoccupied with the formal problems and possibilities of the relief, most especially with its spatial ambiguity and its scope for pictorial suggestion. But Cox matured as an artist in a conceptual and minimal sculptural world and his work had long remained just so, refined and reduced to a degree—a single incise line, perhaps, executed with perfect regularity upon a plane, polished slab leant against the wall, to conjure up a world of perspective.

Italy changed all that, not so much by any intellectual or academic discovery on Cox's part as by his immediate experience of Renaissance sculpture in its physical presence and the technical effrontery of the Baroque. All of it was in some sense figurative, full of association, suggestion and specific reference. Cox speaks of Bernini and the essential contradiction and imaginative triumph in the apparent achievement of weightlessness and ease in all the physical mass and weight of stone; but he also picks up Stokes' dictum, that the seeds of the Baroque were sown in the Quattrocento; and it is in the main to the earlier Renaissance that he turns for his own particular source and reference, to the relief carvings of Ghiberti and Donatello in Florence, and most of all to those of Agostino di Duccio at Rimini.



"View from the Loggia" (1983), by Stephen Cox

The larger, more recent work dominates the show; and except in the sense that the stone elements of which each sculpture is made to sit well proud of the wall, it is all in essence work in low relief, the most emphatically pictorial of its modes—which quality is taken ever further in the painterly handling of the surfaces and the figurative imagery they support. The presentation is now habitually fragmentary, not in the way of breaking integral statements open and apart, but by the bringing together of pieces related by design that yet create the appearance and imaginative stimulation of fragmentation and erosion as of relics, now beyond any full restoration, retrieved from some ancient temple or basilica.

Nothing is complete: the eyes leap with the imagination across each divide, and beyond the parts we have to make a new sum and the work whole again, if only in the mind. And yet these insistent spaces in between have rather more positive a function than mere separation; for constantly they interrupt our pictorial speculation to bring us back to the physical fact of the constituent stone, and its presence hanging on the wall. By seeing it thus as stuff once more, we see again the way it is worked; its carved, polished, drawn and variously treated surface, and the pigment laid on that is not paint at all but the oxides of copper and iron that are the sculptor's traditional vehicles of patination, even while they yet evoke the Tuscan landscape, and hints of figures in Arcady beyond the broken doors. It is beautiful and fascinating work.

*

Alison Wilding is only a little younger than Cox and her public career, though not quite so glittering, has enjoyed the same span. Now, she has the larger part of the Serpentine Gallery to herself, to give us no retrospective but just her work of these past two years (until May 12).

Most of the works are free-standing, and those on the wall are wall-pieces than relief — which is not, I hope, an over-nice distinction. For it is the quality of relief sculpture to embrace the ambiguous opportunities afforded by the two-dimensional supporting plane, which are clearly of no concern to *Miss Wilding*. She makes her objects so, and if the vertical is more appropriate to their presentation, so be it.

Her objects are curiously totemistic or fetishistic in their quiet, imperturbable way and always in some sense celebratory, as though furniture for an unspoken, arcane ritual. She makes lumpen, ball and egg-like things of wood or metal or stone, with rich, dark, simple surfaces; and these she encloses or celebrates in gently folded or undulating sheets of metal, or against falls of cloth, as *though to give each its special,* rightful place; sanctuary, perhaps, or magic ring.

There is also a general resonant quality of landscape and a particular suggestion of pools of water, channels, ditches. A long trough of metal runs down from the stone trophy to a metal disc that might be a puddle; and is this other disc, in another piece, an island in the ditch, or yet the reflection of the moon that our Wiltshire neighbours have raked for so long and unprofitably? The sense everywhere is of the most particular object placed within a certain context in relation to another, supporting, informing element; everything simple, careful, well-made, sacerdotal. Miss Wilding's is already an impressive body of work and she must be followed closely.

There are two other sculpture shows to note, at the very least. Tony Cragg shows six new works at the Lisson Gallery, in Bell Street, NW1 (only until this week-end, April 20), which between them encompass the several strains in his present activity: the wall pieces of coloured plastic junk by which he is most widely known, the simpler piles of wooden geometric shapes, the improvisation with given objects and material — hamper, table, churn, drainpipe — and, most intriguing, the new, very simple barn-like images set on stone against the wall. Cragg is always interesting, and has the maturity to change direction as he pleases without compromising himself, or denying his determining sensibility.

Julian Opie occupies the upper galleries at the ICA (until May 12), and also is to follow Cragg at the Lisson. *He shows* a characteristic group of works that exploit his gift for material transformation and reference: and if the trick is now very well done, of making things of metal that in reality are quite other, and painting them up brightly with an off-band glibness, it also begins to make us look critically for a sculptural probity beneath the image-making. No idea in itself is ever quite enough and Opie's work as yet is all idea, suggestion, proposition. We must give him time.

Swedish Singers/Wigmore Hall

Richard Fairman

Since the days of Jenny Lind, Swedish singers have held a prominent position on the international stage. The short "Sounds of Sweden" festival at the Wigmore Hall, a sort of musical export drive, naturally wanted to remind us that the tradition is *still* flourishing and a couple of events promoted their young singers. On Friday evening a joint recital featured a group of four introduced by Kerstin Meyer, now Rector of the State *Opera School.*

She can take some pride in the event. The voices sounded well trained and the musical preparation was (with one exception) scrupulous. Indeed, it must be a pleasure to be able to present such a model student as the soprano Hillevi Martinpelto, a lovely combination of vocal strength and beauty. She did perhaps burden her Wolf songs with a surfeit of tone and legato; but in the operatic excerpts her secure, luminous singing undeniably bodes well for the future.

While she is still at the Opera School, the baritone Urban Malmberg has already won himself a place at the Hamburg State Opera. As Chaikovsky's Eugene Onegin and Mozart's Figaro he displayed a versatile, lyric voice and an engaging *stage manner,* but then an excerpt from Wagner's *Tannhäuser* spoiled the effect with a lot of unsupported piano singing. Still, he is only 23; and, as baritones and basses mature later than others, *his gifts look* quite precocious.

After the pure, largely unformed style of these two, Sonny Wallentin's unbridled verismo tenor arias (gulps, sobs and all) came as a not wholly welcome surprise. He is already pushing towards his limits. The mezzo Maria Höglind certainly had potential in reserve, but we hardly had time to find out how much. Just a short group of songs—good range, solid tone in the Granados—and then she was gone.

Each of them included one or two songs from their native country at Kerstin Meyer's behest. Swedish music has, in fact, proved more difficult to export than Swedish singers in the past, yet a piece as attractive as Peterson-Berger's *Arnljot* sounded well worth exploring further. It is a shame that Sylvia Lindenstrand's recital in the series, which would have included a group of Peterson-Berger's songs, was cancelled.

Theatre in New York

Frank Lipsius

If recent off-Broadway openings are any clue, Americans are going through gender crises while the British carouse on other people's beaches. Though the theatre does not just mirror life, the American musical, *In Trousers,* and two local productions of *Salonika* and *September in the Rain* derive their strengths from the raw nerves they touch in passing during their portrayals of ordinary lives.

Far from being "about" a gay husband, *In Trousers* at the Promenade begins simply with the loss of excitement in a 10-year marriage, expressed in uniformly clever lyrics such as "How the body falls apart/First the groin and then the heart." Though the action begins slowly with a drowsy early-morning wake-up number, William Finn, who wrote the book, music and lyrics, cleverly combines a day's activities with psychologically acute flashbacks to make the central character, Marvin, as played by Tony Cummings, an understandable victim of his own mixed-up feelings and ambivalences.

Surrounded by three women, his wife, high-school girlfriend and former school teacher, Marvin often sounds as though he is talking to a psychiatrist, with memories of fantasies with the teacher who, in turn, bucks him up with a rousing number, "Set the sails/A good man never fails," which is later reprised as a motto for the hero caught between his unexpected desires and responsibilities.

William Finn's previous work, *March of the Falsettos,* shared the same elements of strong emotions expressed through oratorio, with the thread of plot as much in the realisation of confused emotions as any change in circumstance. Where a psychiatrist actually appeared in the last work, this one is steeped in their self-promoting admonitions to explain, if not justify, the characters' feelings.

The music comes alive with the rhythms of 1960s' pop music, a tinge of Billy Joel here, a calypso there. The wife's breakdown when she finds out toward the end that Marvin's affair is with a man brings the house down, with Catherine Cox managing to fall apart after playing the practical understanding woman to that point. Sherry Hursey makes a buoyant cheerleader of a high school girlfriend, while Kathy Garrick is a cross between Bette Midler and schoolmarm in a style of her own. Matt Casella's direction keeps the characters rollicking round the stage in Santo Loquesto's modern pink and grey set that allows fantasy and action to interact seamlessly.

The Public Theatre's production of Louise Page's *Salonika* —revels in a strong cast led by Jessica Tandy getting her feet sandy on Andrew Jackness's realistic Greek seaside set. The play itself has interesting elements of youths separated by three-quarters of a century and old people misunderstanding all the youths. But the mere inversion of roles, like the old man, hitch-hiking to Greece when the young man cannot be bothered, does not suffice for a plot once the characters, as played by Elizabeth Wilson, David Strathairn, Thomas Hill and Maxwell Caulfield, have shown their idiosyncrasies.

Susan Greenhill and John Godber in "September in the Rain"

John Godber's *September in the Rain* sets a melancholy tone for Liz and Jack, the two characters whose lives are portrayed through the decades of their rainy Blackpool holidays. Susan Greenhill and Steve Ryan have evocative northern accents while describing experiences that take in donkey rides, bingo, roller-coasters and dank bed-and-breakfasts in a miner's efforts to have a good time when he has a chance to put down his shovel. David Kerry Heefner's Hudson Guild production makes the characters, if not the setting, come alive for the British with time off.

BBC Symphony/Festival Hall

Paul Driver

Shostakovitch's 11th Symphony, *The Year 1905,* was heard in this country for the first time in a decade last Friday at the second part of a BBC Symphony concert conducted by Sir John Pritchard. It was paired reasonably if not deeply satisfactorily, with Rachmaninov's first piano concerto, in which the soloist was Jean-Philippe Collard.

At least purposes of vivid contrast were served by the programming. The Rachmaninov — though heard in the composer's revised version—sounded every bit the immature study that it is. The natural complaint about this piece is not that it has too many notes — and it is torrents and cascades of notes from beginning to end — but that it is nothing but note. It is a piece of pure potentiality, and one feels that at any point throughout its three movements the real Rachmaninov could easily enter his music, only he does not.

The superficially beautiful lyricism of the Andante simply hasn't the beautiful tune it would like to attach itself to: the performance made one regret the lack. Only perhaps in the middle section of the finale is something of the composer's real self present and, again, Collard's account fastened one's attention irresistibly here.

The concert was all about its second half; the quality of orchestral playing now became compellingly high. In fact, the Shostakovich performance was another of those occasions when Pritchard and his musicians, in the grip of an inspired project, soared to the threshold of great achievement, and might easily have crossed it. Unlike the Rachmaninov, this massive "musico-historic" symphony expresses its composer's absolutely mastery, and a like certitude marked the orchestra's navigation of the music's calm wide spaces, its stormy passages, and mournful landscapes of loss.

The four linked movements of the almost hour-long work each represents an aspect of the tragic revolutionary attempt in Palace Square, St. Petersburg, on January 9 1905. Pritchard made clearly apprehensible the big arc of the structure at no cost to the picturesque, sometimes lurid characterisation of its lesser parts, and with meticulous placement of its passing detail, much of which brings to prominence haunting snatches of revolutionary songs.

With great poise the vibrant, sad flute duet, or the gently ominous "motto" theme on the timpani broke into the quiet, measured string music of the first movement; and it was marvellous to hear the texture grow more complicated by the accumulation of simple ideas, while always remaining crisp and compactly formed. The graphic climaxes of the second movement were fiercely precise. The threnodic melody for violas in the third was made more intimate by the outer positioning of the players on the platform. The culminating woodwind solos—cor anglais, oboe and a fabulously gurgling bass clarinet — of the finale were perfectly intoned. If only Pritchard had *really* let himself go, deranged his senses just a little bit, this performance would have been celestial.

What a Way to Run a Revolution!/Young Vic

Antony Thorncroft

If the competitions editor of The Spectator or the New Statesman, stumped for an idea to exercise the weekly wits of his readers, ever considers "devise a musical around the *most unlikely subject imaginable,*" he is handing the first prize on a plate to David Benedictus and Guy Woolfenden for this little effort which takes its inspiration from the General Strike of 1926.

It would also win the competition, "devise a musical based on the pages of Hansard," for writer Benedictus has built his script around the parliamentary speeches of the time. This is really perverse, for the heady excitement of the strike—all those football matches between police and strikers and Bright Young Things driving the Brighton express—did provide some people with the most enjoyable time of their lives, and might have produced jolly scenes about how basic British common sense can keep smiling through any crisis.

But Guy Woolfenden's music is proletarian, best summed up in "The Song of the Destruction of the House" given to the only union leader who refused to compromise, A. J. Cook, and a plea for bloody revolution now! The other hero is a grim and grimed miner (Gary Raymond) who acts as a withering chorus on those Labour leaders who support parliament and democracy.

Agitprop musicals are designed, I suppose, to keep up the flagging spirits of militants, especially after the miners' strike, which provides some easy parallels. But the need to treat the enemies both as cardboard caricatures of a class, yet also as dangerous and clever, creates impossible *demands* on David Benedictus. Keeping to the "official" line makes for dull lyrics; and only when the show forgets its purpose, as in the suddenly escapist second-act finale which races through all the famous names alive at the time and places them in a night club setting, does the company really let go and the show open out.

The design, by Christopher Morley, built around the Speaker's chair and using the audience as MPs, works well, and there are some imaginative special effects. Channel Four commissioned it, so there is a large cast, playing many parts, in which Stephen Hartford (as Baldwin) and John Normington (Churchill) feature.

It would take a hard man not to sympathise with the plight of the miners in 1926; it would be a foolish one to be taken in by this facile attempt to justify violence today to solve the *problems of 60 years ago.* Brecht used the musical for political ends: this just irritates by the gap between its similar ambitions and its content.

LCD Royal Gala at Covent Garden

London Contemporary Dance is staging a Royal Gala at Covent Garden on July 11, which will be the first major fund-raising event promoted by Contemporary Dance Trust as part of its new development drive.

Proceeds will go to the Contemporary Dance Trust's Development and Scholarship Funds and the Royal Opera House Development Appeal.

Award for Lutoslawski

Witold Lutoslawski has won the first University of Louisville Grawemeyer Award *for* musical composition with his Symphony No 3.

The $150,000 annual prize was set up last year by the university and this first award was confined to works premiered during the last two years, but considered in conjunction with the composer's total achievement.

Saleroom/Antony Thorncroft

Islam takes the stage

The highlight of the first session of London's week of sales devoted to Islamic works of art was the appearance at Sotheby's of seven leaves from a Turkish Royal album of around 1595.

The "Siyar-i Nabi" was commissioned by Sultan Murad III and contains 814 miniatures in six volumes. Most remain at the Topkapi Museum in Istanbul; but a few were stolen and sold, and the leaves disposed of yesterday come from a volume which is mostly extant in the Chester Beatty Library in Dublin.

Considering their rarity, these leaves, illustrating the life of the Prophet Muhammad, met relatively modest demand. Two were unsold while the other five were within or very close to their pre-sale estimates. The top price was the £46,200 paid by the London dealer, Sven Ghalin, for a leaf depicting a beheading.

The other prices were the £27,500 for a scene of two parties of warriors confronting each other; £26,400 from Spink for a picture of the Prophet Muhammad blessing two warriors; £24,200 and £22,000. The two others were unsold at £13,000 and £5,500.

In contrast, leaves from the Qur'an did well. One, from North Africa and dated around 900 AD, more than doubled its top estimate at £11,000 to Mansour and another, of the same period, went to the same dealer for £8,800.

Christie's is making every effort to ensure that its sale of 16 Old Master pictures on Thursday evening will be the auction event of the year, at least in London. It still hopes to surmount technical problems and beam the proceedings by satellite to bidders in its New York saleroom, which will be an auction first.

Most interest centres on the "Adoration of the Magi" by Mantegna. Christie's has placed an estimate of £5m on this painting, the only major work by this late-15th century north Italian artist still in private hands, but it could go for much more.

It is being sold by Lord Northampton, whose family acquired it in 1871. Previous to that its history is unknown, but Berenson confidently attributed the painting to Mantegna's later years; and as it is the type of masterpiece which rarely appears on the market, strong bidding from American museums and private collectors could lead to a very high price. Impoverished British institutions have little chance of raising the money to keep the Mantegna in the UK, although the National Museum of Wales, where it hung until recently, might try.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 12-18

Opera and Ballet

PARIS

Ballet of the Paris Opera presents Romeo and Juliette in Rudolf Nureyev's choreography and production, decors by Ezio Frigerio, with Florence Clerc, Monique Loudieres, Claude de Vulpian, Cyril Atanassoff, Patrice Bart, Patrick Dupond, Jean-Pierre Franchetti, Jean Guizerix, Charles Jude, Jean-Yves Lormeau, Rudolf Nureyev in the main roles. Palais des Congres (758 2253).

Maurice Bejart and his XXth century ballet follows the soiree Gustav Mahler/Pierre Henry with Notre Faust to Mass in B minor and Agnus Dei by Bach and Tangos Argentinos. TMP-Chatelet (233 4444).

Wuppertal's Tanz Theater and Pina Bausch, the high priestess of German expressionist ballet, arrive with two programmes: Walzer and Stravinsky's Sacré du Printemps and Café Muller. Théâtre de La Ville (274 2277).

Wozzeck alternates with Gluck's Alceste conducted by Michael Schoenwandt, produced by Pier Luigi Pizzi with Shirley Verrett/Helene Garetti in the title role and Barry McCauley in that of Admete. Paris Opera. (742 5750).

The Very Modern G.R.C.O.P. dances to classical music by Handel, Schubert, Beethoven, Chopin. Choreography by Taylor, Garnier, Gordon, Degroat, Carlson with alternating dancers: Wilfride Piollet, Ghislaine Thesmar, Denard, Dupond, Guizerix, Jude and Nureyev at the Opera Comique. (296 0611).

WEST GERMANY

Berlin, Deutsche Oper: Korngold's rarely played Die Tote Stadt returns. Fidelio is a Götz Friedrich production. Siegfried is steered to triumph by Katarina Ligendza as Brünnhilde. Fidelio has Siegfried Jerusalem in the part of Florestan. Ariadne auf Naxos features Gundula Janowitz and Gerd Brenneis. (34381).

Hamburg, Staatsoper: Belsazar in the Harry Kupfer production features Walter Raffeiner and Helen Donath. Zar and Zimmermann has fine interpretations by Franz Grundheber and Peter Haage. (351151).

Frankfurt Opera: Don Giovanni has Benjamin Luxon repeating his much praised performance in the title role. He is also singing the title role in Eugen Onegin. The new production of Hoffmanns Erzählungen by Herbert Wernicke has Michael Boder conducting. *Don Pasquale is* of respectable standard with Günter Reich, Barbara Bonney and William Workman. Der Türke in Italien rounds off the week. (25621).

Cologne, Opera: Die Entführung aus dem Serail, part of the Mozart cycle produced by Jean-Pierre-Ponnelle, is worth a visit with Karen Huffstodt and Matti Salminen. Carmen brings together Josef Protschka and Machiko Obata. Madame Butterfly is sung in Italian with John Pritchard as conductor. (20761).

Munich, Bayerische Staatsoper: This week's highlight is Pique Dame sung in Russian. It is perfectly cast with Elena Obraszowa and Vladimir Atlantow. Macbeth is conducted by Riccardo Muti. La Boheme has Katia Ricciarelli in the title role. (21851).

BRUSSELS

Theatre Royale de la Monnaie: Tristan and Isolde, conducted by Sylvain Cambreling with Spas Wenkoff or James McCray as Tristan and Gwyneth Jones as Isolde. (218 1211).

NETHERLANDS

Scheveningen, Circus Theatre. World premiere of Dr Faustus by Konrad Boehmer. The Netherlands Opera and the Broadcasting Orchestra conducted by Lucas Vis. Soloists include Annett Andriessen and Marco Bakker. Directed by Charles Hamilton. (Thur). (55 88 00).

Arnhem, Schouwburg. The Merry Widow performed by the Hoofstad Operetta Company conducted by Martin Mälzer and directed by Alexander Pickler. (424711).

VIENNA

Staatsoper La Traviata conducted by Binder with Ghazarian; The Sleeping Beauty choreographed by Nurejev and conducted by Richter; Bellini's I Capuleti e i Montecchi conducted by Zedda with Gruberova, Baltsa; Minkus' Don Quixote choreographed by Nurejev and conducted by Richter; Aida conducted by Mund (5524/2855).

Volksoper: Das Land Des Lächelns; Vienna Blood; Count of Luxembourg; Giselle; The Barber of Seville; Die Entführung aus dem Serail. (5324/2657).

NEW YORK

Metropolitan Opera (Opera House). In the last week of the season, James Levine conducts Leonie Rysanek, Jon Vickers, Simon Estes and Kurt Moll in Parsifal along with Lulu, starring Julia Migenes-Johnson, Evelyn Lear and Kenneth Riegel. Franco Zeffirelli's production of Tosca continues, conducted by Giuseppe Sinopoli with Hildegard Behrens and Placido Domingo. Lincoln Center. (362 6000).

Martha Graham Dance Company (New York State Theatre): The world premiere of Martha Graham's Song and last year's world premiere of The Rite of Spring highlight the three-week season of mixed programmes featuring revivals of Appalachian Spring, Cortege of Eagles, Andromache's Lament and Judith. Ends April 21. Lincoln Center. (870 5570).

WASHINGTON

Alvin Ailey American Dance Theatre (Opera House): This spirited group combines the movement of modern dance with the rhythms of American jazz, spirituals and musicals. Ends April 21. Kennedy Center. (254 3770).

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Tuesday April 16 1985

Mrs Thatcher on tour

THE 11-day tour of South-East Asia, Sri Lanka and India, which Mrs Margaret Thatcher, the British Prime Minister, has just completed, has received much more publicity, thanks to the domestic political furore which it has caused, than would normally be expected. Her remarks in Malaysia and Singapore on the Government's victory over the miners' union gave the Opposition the opportunity to accuse her of breaking the nnwritten rule that political leaders do not air domestic quarrels when ahroad. They even argued that Mrs Thatcher was "talking down" Britain in her public speeches when what she was aiming to do, to use her own words, was "to hang tha drum for Britain."

Stimulation

It ls unfortunata that the real success of the trip has been overshadowed by internal politics. No doubt Mrs Thatcher could have heen more prudent in her remarks on foreign soll about the miners' strike, particularly in her use of phrases such as "seeing the miners' union off." The fact remains that the outcome of the miners strike was a very important event for Britain and was bound to be one of the main talking points on Mrs Thatcher's tour.

The Prime Minister is right to argue that her South-East Aslan audiences needed to be told that Britain had put the industrial relations troubles of the past year hehind it, and that the prospects for economic growth and industrial development were now mucb brighter.

People in Britain tend to underestimate the damage the miners' strike has done to the country's image ahroad. The Prime Minister's objective was to create the kind of climate which will stimulata trade with the countries she visited and lead to greater participation by British companies in their development plans. She therefore had the hard task of wiping out the unfavourable picture of Britain's industrial disruption and replacing it with a much more positive, dynamic image. There may have been an element of self-congratulation in describing the manner in which she handled the miners' strike. That attracted the odium of tha Labour Opposition, but it certainly did not do Britain any harm in South-East Asia.

The Prime Minister's reputation as a tough and uncompromising leader had preceded her in a region where strong leadership—perhaps too strong in Western eyes—is widely appreciated. The welcome she received in most of the places she visited was in keeping with that reputation. Even the redouhtahle Dr Mahathir Mohamad, the Malaysian Prime Minister, had a few pleasant things to say about Britain after he had obtained an extra flight for the national airline to London, while the reception ln Indonesia was positively regal.

In terms of public relations, therefore, Mrs Thatcher's visit must be consldered a success. A region which has heen woefully neglected by British diplomacy and business since the Second World War has suddenly been made aware that the former colonial power, in the case of most of the countries she visited, is showing renewed interest. That interest was mostly reciprocated, sometimes in a particularly moving manner, as on the occasion of Mrs Thatcher's address to the Sri Lankan parliament.

Expansion

The concrete results are more difficult to quantify. Most of the countries on Mrs Thatcher's tour were pressing for more aid in grant form. a sensitive issue for someone who has adopted a rigorous housekeeping policy in this field. It was made clear to the Prime Minister hy government ministers of the countries she visited and by husinessmen on the spot that an expansion of British trade in the region was very mnch dependent on an increase in project-linked aid.

It is also dependent on a greater commitment to the region by British companies. In the highly competitive climate of South-East Asia, British companies will have to look sharp to make up tha ground lost to their rivals over the last 30 years, hut the country's reputation is higher than it was and Mrs Thatcher's tour has helped to boost it further. It is up to husinessmen to take edvantage of the opportunity that bas been created.

Four flaws in the Insolvency Bill

AFTER MUCH mauling, the Government's Insolvency Bill has finally emerged from the House of Lords. But the struggle to reform Britain's archaic hankruptcy laws is far from complete. Further efforts to clarify and amend the more contentious and opaque clauses will be necessary before and after the Bill reaches the Commons.

Attention is increasingly shifting from the primary legislation, which represents only the bare bones of the new insolvency code, to the important guidance notes which must accompany it.

As it stands today, the Bill ls inadequate ln at least four respects. A discussion paper, to he issued later this week, will tackle the first problem area—the treatment of a hankrupt's family home. The Government says it ls anxious to strike the right balance between the lnterests of creditors and those of the bankrupt's family.

Conflicting claims

At present, courts are offered no guidance beyond case law on bow to adjudicate the conflicting claims of the various parties. In the upper bouse Lord Denning recently reiterated concern about the plight of wives and children evicted when crediiors press for the early sale of the family home.

The Government accepts that courts need explicit guidance hut as yet is unsure wbat shapa it sbould take.

The grounds for the disqualification of directors and the definition of the proposed civil misdemeanour of wrongful trading constitute a second shortcoming of the Bill. The Government hed originally urged the simple and neat solution of automatic provisional disqualification for directors whose companies ended up in compulsory liquidation. The onus was to have rested on directors to prove their disqualification unwarranted. But fierce lobhying hy pressure groups and insolvency practitioners has forced the Government to hack down.

The new compromise is that whe. liouidators or receivers judge directors "unfit" they should submit a report to the Trade and Industry Secretary who will then consider formal disqualification.

This raises two problems: will practitioners always hother to submit reports and what guidance should they be given as to what constitutes "unfitness"? The Lords have suggested soma rather rigid criteria for unfitness which even insolvency practitioners accept are inappropriate. The challenge now is to devise an appropriata corporate "highway code" for directors deviations from which would he punishable with disqualification.

Since directors convicted of wrongful trading will face tha prospect of personal liability for some of the debts incurred by their companies, there is strong pressure. reflected in the upper house debates, for the misdemeanour to he clearly defined. Companies might otherwise he unahle, when in difficulties, to attract "company doctors."

Yet the Bill offers little help: directors will face personal liability if they incur debts which, with hindsight, they ought to have evoided. Practitioners are oressing for a more concrete definition of wrongful trading which does not involve words like "onght."

A third concern is the poor drafting of tha clauses which specify the precise powers of "administrators."

The difficulty is in striking the right balance between administrators' rights and those of different classes of secured creditors. Unless the drafting of these clauses is improved, existing doubts about the practicality of the administrator proposal are likely to multiply.

Privileged status

Fourthly, there is continuing resentment of the public sector's privileged status as a creditor. The Government is insisting that the preference period for "collector taxes" such as VAT and PAYE should remain a full year although lt has given some ground hy abolishing any preference for local rates. Pressure for a rednction in the preference period for collector taxes is likely to emerge when the Bill reaches the Commons.

Most practitioners will agree that the Bill bas been improved during its tortuous passage through the Lords. But many wonder why officials took so long to begin to discuss detailed issues with outside experts. The early publication of draft legislation might have saved much embarrassment, not to mention parliamentary defeats.

SCIENTIFIC RESEARCH AND INDUSTRY

France tries to close the gap

By David Marsh in Paris

FRENCH SCIENTISTS at the puhlic aector Pasteur research institute were the first to identify the virus behind Acquired Immune Deficiency Syndrome (Aids). They are now locked in competitive struggle with U.S. researcbers and companies on developing tests and, ultimately, treatment, for the killer disease on a world-wide market worth several hundred million dollars.

French banks have just decided to go ahead with setting up a nationwide cashless retailing system based on the revolutionary "smart" electronic card invented by a French innovator in 1974. A battle is under way with Japanese companies to introduce the technology for a range of every-day applications in the U.S. and Europe.

French surgeons a few weeks ago transplanted into a calf an artificial heart created using technology derived by aerospace group Aerospatiale from ballistic missile development. Tha Saudi Arabian-financed medical team hopes to carry out a human transplant in about a year's time.

Such examples show that the land of Louis Pasteur can still come up with world-beating scientific breakthroughs. Tha drawback is that France spreads lts research prowess too thinly—and faces acute difficulties in translating scientific ideas into commercial and industrial success stories.

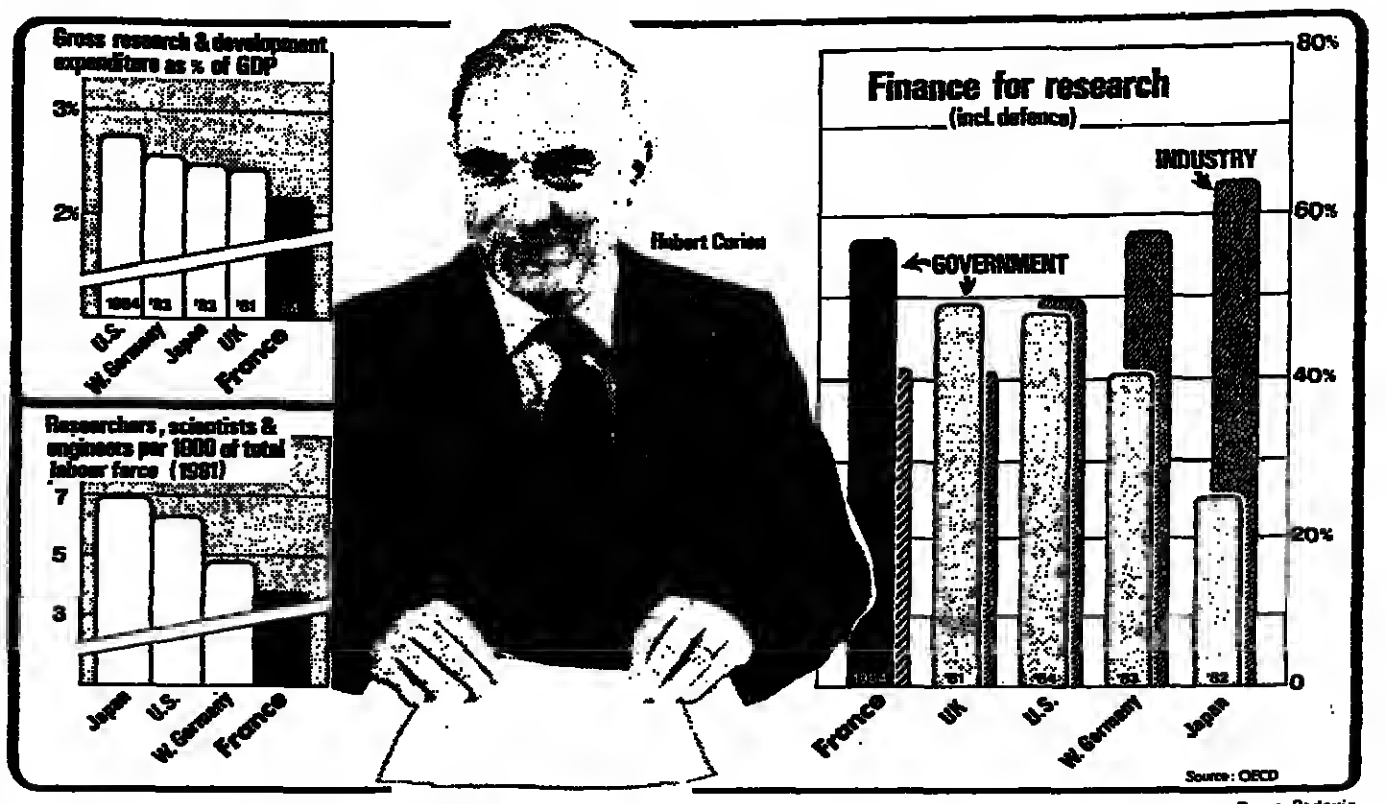
With anxieties growing in Paris over the economic consequences of a technological lag with the U.S. and Japan, tha Socialist Government is making unparalleled efforts to improve the country's capacity for innovation.

Research and development spending throughout the economy, though falling short of ambitious targets set three years ago, bas heen boosted to 2.2 per cent of gross domestic product from 1.9 per cent in 1980. M Hubert Curien, tha Research and Technology Minister and former head of the national space agency CNES, has set the objective of moving towards 2.9 per cent hy the end of the decade to catch np with the U.S. and Japan.

Perhaps even more important, wide-ranging attempts are being made to break down traditional rigidities in French research hy boosting contacts between industry, universities and scientific institutes and channelling funds into innovative small business.

Although attitudes are changing fast, translating the political commitment to R and D into firm results has heen slow. Much of France's post-war technological development was by big government spending programmes. But the challenges now are different. And the Government is uneasily aware that, in the fight to improve overall links between science and industry, more is required than mere decisions by civil servants to throw money at the problem.

"Projects like Ariane, nnclear energy, the Airbus or military aircraft show how France has succeeded remarkahly well in the most difficult technological areas," says Mr John Marcum, the director for science, technology and industry at the Organisation for Economic Co-operation and Development. "The real challenge now is to get going lots of small things across the whole gamut of business activity."



Brane Radovic

Mr Marcum, who np to last year was the deputy director of President Reagan's office of science and technology policy, believes France lags behind Britain and West Germany in stimulating innovation and risk taking. "One should not be so shy about trying to make a buck, about doing engineering rather than science, about making products rather than scientific discoveries," he says.

M Robert Lattes, a mathematician and former atomic energy specialist, who is now director in charge of venture capltal activities at the Paribas investment bank (as well as chairman of France's main gentic engineering company Trangene): says, by contrast, that France is ahead of West Germany in catching on to U.S. ideas about boosting small high-tech business. M. Lattes, like other venture capital specialists, welcomes Government plans announced last week to improve tax concessions for investors in small companies.

He adds, however: "When I look at the Japanese or U.S. scenes, I am pessimistic (about Europe). Wa will have to fight—or else we will become mere users of products and services made in Japan and the U.S."

The message that time is running out is underlined by the increasing pragmatism of French state-owned industries in shipping for know-how abroad. Contrasting sharply with the Socialists' nationalist rhetoric when the groups were brought into state ownership in 1982, a stream of technology transfer deals—in areas ranging from computers and semi-conductors to composite materials and seed genetics—has been signed between public sector industry and U.S. and Japanese concerns in the last two years.

Although most countries in Europe have similar problems,

> The increasing pragmatism of French state-owned industries in shopping for know-how abroad

France faces three particular handicaps in adapting its research effort.

● Even after the important steps taken to catch np over the past three years—the civil research hudget has doubled since 1981—France spends less in terms of GDP on science than its main competitors (see chart). And the proportion financed directly hy industry rather than the Government is particularly low

● Barriers between theoretical and applied science are much higber than in other countries—a phenomenon whicb French officials blame variously on Napoleonic traditions, Catholicism or the country's roots in the soil. "Engineers think of scientists as professors with their heads in the clouds,' says M Roger Lesgards, chairman of Societe Européenne de Propulsion, the Ariana rocket engine company.s "Scientist think engineers are just out to make money. They're two different races."

● Although there are shining exceptions, the general absence of strong links between companies and universities holds np the passage of ideas and researcheds into industry. "Contacts between companies and researchers are not sufficient—less than in the U.S., West Germany or the UK," says M Francis Zviak, chairman of hair products company L'Oreal—and one of the few beads of big French groups who is himself a scientist.

M Roger-Gerard Schwartzenberg, the Secretary of State for Universities, who announced in February a package of measures to improve compnter and engineering training and to try to hring researchers out of their "ivory towers,' has set a specific target of increasing applied research in technical colleges and universities.

The Centre of National de la Recherche Scientifique (CNRS), the sprawling research organisation which is the flag-bearer of France's scientific prowess, relies on the Government for pratically the wbole of its FFr 7.6hn (£650m) hudget.

Gronping 10,000 scientists in 1,500 laboratories or research groups in disciplines ranging from chemistry to archaalogy, the CNRS in the past often disdained contacts with industry. Attitudes are changing. It caried out research contracts worth FFr 31m for outside industry last year—up from only FFr 10m in 1982.

thar major scientific institutes such as INRA in agricultural research and Inserm in medicine have heen trying to hroaden existing links with companies and outside research organisations. Some activities are being spun off as commercial businesses—for instance, a seed development offshoot from INRA. This follows a pattern of entering the commercial sector—in areas like robotics, medical equipment or hiotechnology—already well developed by tha CEA, the atomic energy commission.

But opening up institutes to the industrialised world has heen bampered by considerahle inertia among the scientists themselves. "Researchers don't like to be hustled. They like to choose their own themes—and to enjoy a certain psychological comfort," M Andre Joyeaux, the director of Elf Aquitaine's biotechnology centre near Toulouse.

Some officials and even researchers themselves believe that the Socialist Government's extension of civil servant-type job security to CNRS scientists has been a retrograde step, countering efforts — mada increasingly by M Curien—to promote greater mobility.

The Research Ministry, aware of the risks of bureaucracy, is trying to push the CNRS into decentralising some of its research functions. Some voices in the right-wing opposition are even advocating wholesale dismemberment.

The CNRS admits that moves to push scientists into temporary secondments with outsida enterprises have so far been disappointing. Only 41 researchers took up such positions last year.

As part of general moves to involve smaller companies—especially in traditional sectors like textiles or metalworking—in research, the Government hopes to increase the number of secondments from the CNRS to 200 over the next three years.

M Curien is planning fresh measures to give fiscal incentives to companies boosting research spending, expanding a newly-introduced tax credit scheme which cost FFr 350m last year.

In industry itself, organisation of research efforts in smaller, more flexible teams, and forging of links with outside scientists, are now two well-established trends.

Rhone-Poulenc, the nationalised chemicals concern, which this year will spend around FFr 2.7bn on R and D, has trebled outside research contracts to FFr 100m over the past three years. Its young research director, M Gustave Strain, with a career background at the CNRS, Harvard, Elf Aquitaine and the French embassy in Washington, has reorganised the group's scientific effort—"It has to be linked to markets and products," he says—and set up a "prospection committee" of outside professors to fertilise ideas from the academic world.

At Essilor, the FFr 1.5bn turnover optical glass company which has been one of the stars of the Paris Bourse over the past two years, similar decentralisation moves have been made by another young ex-CNRS research director, M Patrick Bozec. He has pushed the company's customarily-closeted research personnel into accompanying marketing directors on trips to the U.S. "Each time they come back full of ideas."

The acid test of whether France can succeed in bridging the gap between the laboratory and the marketplace will be however whether it can create a U.S.-style environment for researchers to set up their own businesses.

M Philippe Geynet, another ex-CNRS scientist who now handles biotechnology venture capital activities at the Banque Nationale de Paris, points out that French high-tech entrepreneurs not only face higher risks and lower returns than in the U.S. Additionally, he aays, they have to cope with greater potential difficulties in eventually selling their shares to realise capital gains.

One small optimistic sign however has come from Paribas' M. Latties—one of the oldest hands on France's relatively youthful venture capital scene. The bank bas a total portfolio of over 10 small companies in the U.S. and Japan—compared with only around a dozen in France—a disproportion caused by the lack of suitable domestic projects up to now. "But things are changing," says M. Lattes. "I now have 32 propositions ln good technology and high growth areas—all in France—on my desk, against three a year ago. It's not yet too late."

Ulster's first woman

"While others talk, we act," said the man from the Ulster Bank. The hank, a wholly-owned subsidiary of National Westminster, has sprung a surprise on its competitors by becoming the first in Ireland to appoint a woman to its main board.

The surprise was all the greater hecause the other hanks were openly debating the question of women at the helm while Ulster Bank kept quiet.

Mrs Margaret Spence, 42, a farmer's daughter from Newtownards, County Down, is—geoder aside—an entirely conventional hanking choice.

A widow, she has thrown her energy into building up the Ferguson Group, a company with interests ln motor distribution, aviation, financing and property. She also holds a olace on the Northern Ireland Economic Council, which advises the Government on Ulster industry.

Mrs Spence rejects suggestions that she is being used as a public relations exercise. Even so, she recognises that there are problems in the way of more women reaching executive positions in the banks. Marriage, she says, remains an impediment.

Silent service

When the City of London discount bouses did their sums yesterday they found themselves short of a record sum—£1.8bn—to halance their books.

Their lender of last resort—the Bank of England—has always been reticent about the extent of its belp in meeting credit shortages in the London money market, but market men thought the Old Lady was carrying decorum too far wben lt failed to mention in its daily list some £500m of assistance to the discount houses.

Aware of the uncertainty such omissions can cause ln these volatile timea one operator said: "If only we knew bow the Bank does it, yon can bet we would be doing it as well."

Men and Matters

Salmon leap

The clock was turned back a few hundred years in the gilded Fishmongers' Hall, at London Bridge, yesterday when 18 epprentices sat down to a lunch of finest Scottish salmon.

To be strictly accurate they would not know themselves as apprentices. Their far grander title is Youth Training Scheme Trainees.

But a convivial feast was not the occasion to split hairs. Their hosts, the Scottish salmon farmers, were makng the point thatsalmon can be an enjoyabla and reasonably-priced dish today since prices have fallen from the sky-high levels of a few years ago.

The old records bave mony an apocryphal tale of London apprentices insisting that they should not be fed with salmon more than twice a week. But then the salmon was in the rivers and free for the taking.

Deep-sea fishing and coastal poaching have now cut down the catch of Scottish salmon from 3,000 tonnes a year to under 1,000 tonnes.

It would have been priced out of the market—and certainly off apprentices' plates — by scarcity had not a few entrepreneurs, led by Unilever with lts Marine Harvest enterprise in Scotland, decided to try their luck at salmon farming.

A daring experiment is just now moving itno healthy profits.

Salmon farmed in seawater cages around the Scottish coast is expected to produce sales of more than 5,000 tonnes this year—five times the wild salmon catch.

David Windmill, who left a City of London joh to manage McConnell Salmon, a Booker McConoell subsidiary which is now number two in the farming business, says, "Only a few years ago under 5 per cent of the British public had ever tasted fresh salmon. With this year's output and future expansion we intend to get it on to everyone's plate."

"Postal votes? Defeated on a show of hands—you must have been at lunch"

Falling star

If America's top space officials are looking a little glum, it is the result not merely of the Shnttle'a current prohlems in getting a U.S. naval satellite to open for business, lt is also because of the impending demise of one of Nasa'a longest-lived and most illustrious satellites, knuown as ATS-1.

The craft entered service, without a murmur, in 1966, and was expected to stay aloft for just three years. But until a wohbly orbit created difficulties a couple of weeks ago, the little chap positively glowed with health.

In lts time, ATS-1 has relayed pictures of Apollo space flights to American TV screens, transmitted data to cardiac surgeons ln New Zealand and hooked up U.S. and Soviet scientists for joint research.

Back in 1967, the satellite provided the first television pictures showing cloud over virtually a complete hemispbere of the Earth.

More recently, ATS-1 has served as the link stetion for transmission of educational TV programmes to Australia and elsewhere in the Pacific, including Hawaii, Melanesia and the Cook islands.

Now the end is near. In about six months, according to the U.S. National Aeronautics and Spaca Administration, lt will drift out of orbit and join the ranks of "spaca garbage," the several thousand bunks of metal in the beavens that are either disused satallites or fragments of rockets.

Bank run

Who will be the most senior City banker in next Sunday's London marathon?

Possibly Oliver Stocken, managing director of Barclays Merchant Bank, who will be running his sixth marathon at the age of 43 (be has done two in London, two in Australia and one in New York already).

Not that the leanly-built Stocken expects to be up among the front-runners. "I'm a three and a half hour man" he says. "All I think of is getting the next mila under my belt."

For tha last six weeks, Stocken has been running about 45 miles a week round Wimbledon wbere he lives. Apart from keeping him fit he finds it belps him sort out some of the more intractable prohlems he hrings back from the office."

Unforgettable

Easy to rememher who would be in charge of broadcasting transmissions at the BBC in the avent of a nuclear emergency.

He is the Assistant Technical Operations Manager—listed in the internal directory as ATOM.

Observer

Letters to the Editor

Technical problems and the ECU

From Mr W. Eggers

Sir,—Mr Schulman (April 11) singles out Germany as the only obstacle to an extensive use of the ECU. That may well be the case from bis point of view, but in reality, it is not so much reluctance in principle to open the gates, but it is rather concrete technical problems that are precluding the ECU from de facto becoming a supranational currency.

Anyone actively engaged in foreign exchange markets will no donbt he able to confirm thet any position held in ECU inevitably leads to an open position in one or several of tha basket currencies, and that may just not happen to be the currency one would like to bave on one's books.

As long as there is no institutionalisation for the ECU, a "Central Bank" for that currency so to speak, the Deutsche Bundesbank is, in my opinion, justified in maintaining its cautious attitude towards the ECU. We're just not keen on having to foot yte snother bill. Apart from that, our country has certainly not been the least in fostering European integration.

Werner Eggers.
Jourdanalle 12,
D 6082 Morfelden-Walldorf.

Regulating energy prices

From Mr I. Smart

Sir,—Your editorial (April 9) proposing a British public ntilities commission to regulata gas and electricity prices must obviously carry weight. As yon say, a consumer's interest is likely to call fnr some socially equitable means of regulating the prices charged by "natural" monopolies. As you also say, our present national practice in that connection—annual horse-trading between the different Whitehall departments and nationalised industries—makes it too easy for larger policy issues to walk through the green channel unexamined.

Unfortumatcly, there must be real doubt that creating a new public utilities commission would solve those problems. They are manifest, after all, as soon as suppliers, users and regulators nf gas or electricity all gnd themselves reaching in vain for what you have called "workable economic principles for setting prices." ("Workable" in that phrase must presumably encompass political acceptability, just as "economic" must be broad enough to take account of so-called social costs.) For no such coherent set of principles has yet been adopted in Britain as a basis for energy pricing, let alone sustained.

Leaving market forces always to set energy prices has proved as unworkable in the British case as absolute allegiance to any active general pricing strategy of the marginal cost variety. That only makes it more alarming to find not even the less abstract principles of gas or electricity pricing given a clear expression. All those concerned probably accept, for instance, that it would be worth paying something to promote efficient development nf Britain's offshore gas, to cushion the social impact of closing (or opening) coal mines, to reduce the ecological effects nf energy conversion, or to improve the overall security of the electricity industry's fuel supplies. But no one has ever been clear abont whether or in what measure the consequential costs should be reflected in the prices paid by British gas and electricity consumers.

No public utilities commission, unless it had literally dictatorial powers, could make up for that lack of clarity about principles. Nor is a regulatory commission the right body either to address broad policy questions or to tackle such narrower tasks as making badly-needed recommendations for better securing electricity fuel supplies.

A public ntilities commission can never take over Government's proper responsibility for bridling the inevitable conflicts of interest that surround energy markets, and thus establishing clear economic pricing principles. Conversely, the performance nf any price-regulating body depends on the quality of the guidelines furnished by its political masters. Those are the real lessons of the experience to which you refer in the United States, where it is exactly the absence of strong federal guidance that has allowed the practices of different energy regulatory bodies to evolve in so ideosyncratic a manner.

If a British Government once lays down clear, workable principles for gas and electricity pricing, establishing a single UK public utilities commission may help to ensure that those principles are consistently reflected in practice. Sadly, it can do nothing to absolve government of the duty to settle issues of principle in the first place. The commission you suggest could well be a government's future adjunct. It cannot be its alibi.

Ian Smart,
3 Grosvenor Avenue,
Richmond, Surrey.

Oysters, yachts and antifouling

From the Mnnaging Director, International Paint

Sir,—In his reply (April 4) to your "Men and Metters" article concerning antifouling paint and oysters, William Waldegrave makes a number of points wblch are not supported by the available evidence.

Mr Waldegrave states that oyster production in the UK has been seriously reduced, without making the important distinction between the Native Flat oyster and the recently imported Pacific oyster. It is lamentably true that stocks of the native oyster have been in decline since the 1920s. This decline has been well documented, and is ascribed principally to disease and poor husbandry. Stocks reached an all-time low following the harsh winter of 1963, well before organotin yacht antifoulings were introduced. There is no published scientific evidence which implicates yacht antifoulings with the demisa of this oyster. Conversely, production of tha Pacific oyster has, according to the Shellfish Association of Great Britain, continued to increase since its introduction into the UK in the early 1970s.

It is by no means clear, as Mr Waldegrave insists, that the problems in growing the Pacific oyster, experienced by some growers in certain parts of the country, are linked with yachts. The work carried out by the Ministry of Agriculture, Fisheries and Food falls short of demonstrating an acceptable cause and effect relationship. In particular it has not been established that organotins derived from yacht antifoulings have a widespread occurrence in coastal waters throughout the UK, neither have they addressed the question of what are the best husbandry techniqnes for this imported species. Why is it for example that some growers in certain areas are very successful while others in the same location claim that yacht antifoulings have made the culture of Pacific oysters impossible?

Mr Waldegrave'a claim that yacht antifoulings are interfering with the food chain by affecting phytoplankton is at best mere speculation. Notwithstanding the extreme difficulty in extrapolating from isolated laboratory toxicity experiments to the real situation in the natural environment, tbe few experiments whicb have examined the toxicity of organotin compounds on marina phytoplankton have shown that the concentrations required to kill are orders of magnitude greater than have ever been fonnd in UK waters.

Roger Levick.
Stoneygate Lane,
Felling,
Gateshead,
Tyne and Wear.

Local rates for local services

From Mr R. Sims

Sir,—It is the extortion waged by so many local authorities all over Britain under the misnomer of "rates" which has been the scandal of the times for this past 20 years or more.

It was Maggie Thatcher herself, more than anyonc else, both before she became party leader and since, who has stumped up and down the country telling us all, "It's our money they're spending."

We all have to look to the Government for a change for the better but its actions so far don't offer much encouragement. The cut-backs in grants to local authorities only means that ratepayers have to find more money from somewhere, the local authorities spend the money just the same. And the "Rate-capping Bill" is just about as usefull Local authorities are still allowed to increase their "rates" by a multiple of something like 25 per cent annually so it is only the really worst of the nut and out spendthrift authorities which are even in the sligbtest danger of being "rate-capped."

As a temporary expedient, while something more radical is worked out, police monies could, and should, be transferred to the national exchequer. They are not a local service so why go on trying to pretend that they are? There is an awful lot to be said in favour of transferring all the county services to the national exchequer and keeping local rates just to pay for local services. Equally, there is no reason whatever for calling a three-or four-county police force a "local" service, particularly while there are such "nonsenses" as Greenham Common, Molesworth and the miners' strike where policemen from all over the country bave to be called in to cope with them.

Ronald Sims,
19, Wordsworth Road,
High Wycombe, Bucks.

Effects of a sharp cut in VAT

From Mr C. W. Smith

Sir,—In February you published a letter from me about your report of an Institute for Fiscal Studies analysis of tha Government's intention to switch from direct towards indirect taxation. Since then readers have had the chance to study the full text and the Chancellor has widened slightly the VAT base while announcing that it will not be changed again before the next election.

The IFS makes a case for extending the number of items subject to VAT in order to reduce the industrial distortion between those items liable and not liable. The Chancellor has blocked that optinn (and tha block might persist since any Party promising to extend VAT would spoil its electoral chances). Meanwhile the Government may choose between following its own preference for VAT (by raising the rate) and the IFS argument against distortion (by lowering it from 15 per cent).

The Government'e overriding aim to reduce inflation must deter it from raising VAT, but it should not miss this secondary argument from IFS: "Because demand will fall, revenue will be less than might have been anticipated, and the contribution of the [taxed] industry to national income and to revenue from other sources will be reduced." The obverse is true if demand is stimnlated by lowering the rate of VAT. The knock-on effects for other industries and their prices will be favourable. Loss of revenue will be less than pro-rata, and will be eased by lower expenditure on index-related pay and pensions.

Where VAT has unfortunate side-effects, they can always be offset by selective subsidies: that via the Arts Council to the theatre is mentioued — there would be less need for it if theatre-goers paid less VAT on their tickets.

Much of the IFS paper deals with the gravest side-effect, if VAT were widened: the need to restore purchasing power, especially to poorer families What could not be restored is the freedom to concentrate expenditure nn non-taxed items. Conversely, if VAT were not widened but steepened, there would be less freedom to buy anything other than necessities. It is only by bolding the range and reducing the rate of VAT that the one freedom is preserved and the other is enhanced.

The Chancellor has used the simpler part of the mechanics of restoring purchasing power. Lifting the lowest tax threshold beyond the call of inflation should enable almost everyone to pay the higher direct and indirect costs of more expensive newspaper advertising. But, like the bigger lift that would be needed to cover major VAT increases, it is inflationary. And these lifts do nothing for the non-tax payer and little for anyone just caught.

They have to be helped with increases in pensions and child and other benefits. Indeed, the IFS article ends with the construction of a "revenue-neutral" and socially just package to offset a greatly widened VAT base—which boosts, perhaps unintentionally the case for a unified positive-and-negative income-tax.

No proponent of that case, however, would want to use positive or negative income-tax to enable people to pay artificially inflated prices. How much better to put their system into reverse — with the Exchequer able to concede less "± income-tax" because prices had been sent into a downward spiral by a sharp cut in VAT.

Christopher W. Smith,
Tilcocks, The Square,
Apsley Guise, Beds.

Peripatetics and a poll tax

From Mr P. Brown

Sir,—There is no accountability problem with local income tax but a major accountability cost in setting up and maintaining a system as members of staff mnve in and out of different local authority areas.

The major drawback bowever, which Mr Slain (April 11) and other proponents of this tax will have to face is the encouragement it will give to employers and employeea to move from aalaried remuneration to fces, consultancy or at a lower level cash in hand.

The imposition of a 10.7S per cent employers N.I. charge on all salaries abova £130 per week is already resulting in professional staff intensive firms, with a significant number of employees receiving £25,000 plus, investigating the savings available from self-employment.

If you add a local income to existing payroll taxes, it will significantly increase this trend and tracking tax due from thousands of self-employed consultants will make mincemeat of any collection cost forecasts.

Unlike property, people can drop ont the Revenue's sight, at least temporarily. A poll tax looks feasible, though I'm not sure how you assess non-voting foreign residents, but the possibilities for transferring, delaying, redncing or avoiding local income tax make it look an extremely unattractive alternative.

Peter M. Brown,
Reward Regional Surveys,
1, Mill Street,
Stone, Staffs.

Promises and pensions

From Mr R. Colbran

Sir,—Miss McKnight's main point (April 11) is that we should continne to make pension promises for the future because we cannot prove that we ahall not be able to afford them. In this, she bas the support of the Social Security Advisory Committee.

By 1998, under the present rules of the state earnings-related pension scbeme, almost every working person above about age 40 will bave a rigbt to a pension at 65 (men) or 60 (women) of one-qnarter of earnings above state basic pension level. These pensions are to be fully indexed before and after retirement. Even for those contracted-out, the state promises indexation after retirement.

In the past, government has escaped inconvenient debt burdens through inflation. Indexed liabilities admit of no such escape. Moreover, pension promises can lock us in to retirement ages which also have a considerable risk of being unsuitable at the time. Is it not more realistic to encourage tha population (aided by their employers) to try to provide for their own old age? Future governments could then allocate resources as seems best at the time.

Yon would not wish me to take the space to answer all Miss McKnight's other questions. When, bowever, she criticises the Government Actuary for focusing attention on pensions, she seems to ignore completely the extensive tables and charts of projected contribution levels in bis note.

R. B. Colbran,
Martin Paterson Associates.
10 Buckingham Place, SW1.

Fallout from the dollar

From Mr P. Wurlitzer

Sir,—In your editorial on the "Fallnut from the dollar" (March 29), you incorrectly state tha dollar touched its all-time high against the Deutscbc Mark of DM 3.45 on February 25 of this year. While the exchange rate of DM 3.45/US$ 1 may be the high point of recent years, it still is substantially below the 1950s/1960s rate of DM 4/US$ 1 or even the rate of DM 3.60/US$ 1 that I received during my student days at the University of Hamburg in 1970-1971.

Prescott Wurlitzer,
4600, 45th Street, NW,
Washington DC, 20016.

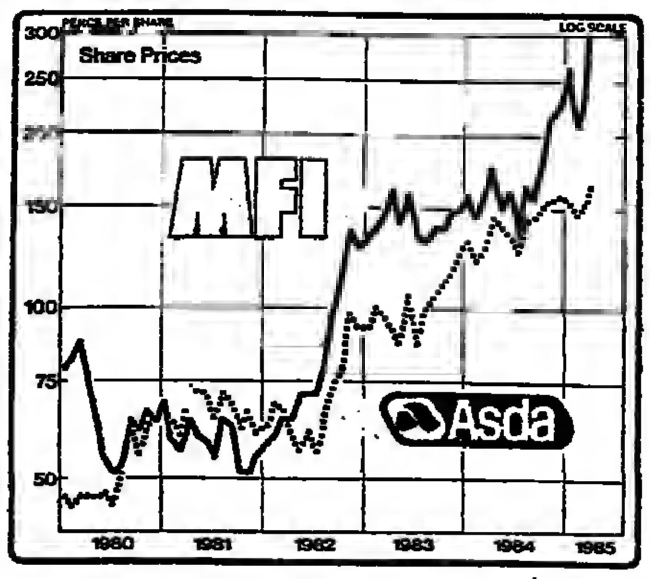
Revenue priorities on perks

From Mr F. Steiner,

Sir,—The Inland Revenue does not seem to have much sense of the Environment in setting priorities, if it attacks "perks" (April 11) encouraging rail travel, while leaving subsidised road travel largely unscathed.

F. M. M. Steiner.
Gorrard House,
Gresham Street, E.C.2.

£615m UK retailers' merger



The big get even bigger

By David Churchill, Consumer Affairs Correspondent

YESTERDAY'S AGREED £615m merger between Associated Dairies and MFI, the biggest in Britisb retailing, brings together two companies which more than any others epitomise the changes in this sector over the last decade.

Both clawed their way up in retailing by concentrating on price and convenience. Both bave built their success around car-driving shoppers: people wanting the convenience of either buying in bulk or buying goods such as furniture which they can carry home in their car boots.

It is a strategy that has turned the companies into two of the most profitable retailers in Britain.

Yet such is the scale of retailing now that the way ahead for both appears to be a marriage of convenience to bring together their huge resources needed to compete in the tougb world in prospect in the 1990s.

Asda, which operates some 100 food superstores, has found making inroads south of its Leeds base difficult. Not only bas it faced sharp competition from the likes of J. Sainsbury and Tesco on what is traditionally their bome ground, but it has also come up against the escalating costs of building stores.

Moreover, Asda was probably precluded from growing through the acquisition of another grocery retailer by the Office of Fair Trading's concern at the increased level of concentration in food retailing. Indeed, Noel Stockdale, chairman of Associated Dairies, bad recognised this Catch-22 and had earlier diversified into High Street retailing with the Wades furniture stores and Allied Carpets.

Earlier this year, however, the Wades stores were sold to a management buy-out and Asda started looking around for areas of diversification. It was rumoured as a suitor for Woolworth's successful do-it-yourself company, B and Q—but since Woolworth was unwilling to sell the company, it had to cast its takeover net further.

MFI was a logical choice for Asda, given its out-of-town operations and products based on high volume and low margins. Started up just over two decades ago as Mullard Furniture Industries selling mail order camping gear and low-cost furniture that come unassembled, MFI pulled out of mail order in 1974 because of delivery problems, found itself unable to afford conventional High Street sites, and so was forced to gn to out-of-town greenfield sites. Nobody would drive to such stores, said tha critics. But they did.

MFI uncovered a segment of the furniture market that was largely untapped by conventional retailers. Consumers wbo chose furniture often had to wait weeks for delivery: MFI offered it instantly via "flat packs" that could be carried home by car and assembled within hours.

The MFI formula worked, despite scepticism about quality both from within the trade and from consumers. Moreover, more than three-quarters of MFI's products are now British-made, whereas a decade ago most were foreign in origin.

MFI's strategy has been to forge close relationships with UK suppliers—similar to the well-established policy of Marks and Spencer. For example, Hygena, the Humberside kitchen cabinet-maker, is its main supplier.

MFI now bas more than 3,500 employees and 127 stores, making its total trading area about 4m sq ft.

In the past 12 months, MFI has expanded its operations to provide kitchen furniture and appliances. Hobs, extractor fans, and refrigerators are all supplied now, with dishwashers and freezers planned for the future.

Half-an-hour after choosing and paying for the goods, a customer can load a complete kitchen on tn the roof of his car. "See it, like it, take it away has always been not just an advertising promise, but a statement of fact," says Mr Derek Hunt, MFI's chairman.

The attraction of MFI for Asda is that it gives the much larger food retailer a stake in a sector of the market that is expected to show rapid growtb. "There are very few sectors in Britain's mature retail market which offers the opportunities which remain to be exploited in furniture," suggests Richard Hyman of the Verdict market research company.

Owner-occupied homes, for example, now account for 61 per cent of all bouscholds, compared with 50 per cent in 1970. The Building Societies Association recently suggested that some 74.2 per cent of households will be owner-occupied by the year 2000.

The total market for furniture, carpets and othar floor-coverings was worth just over £4bn in 1984. The sector has bad a rough ride recently because, as Mr Hyman points out: "The British consumer has traditionally regarded furniture and floor-coverings as predominantly functional." This means that their replacement is an easily deferable purchase —which is what has tended to happen during periods of recession.

While the market for furniture and carpets failed to keep up with consumer spending, demand for flat-pack furniture and cheaper carpets rose sharply. The kitchen sector has been the most buoyant, with retail sales rising in value by 72 per cent since 1980 compared with a 46 per cent sales increase for furniture in general.

MFI of course, already has a formidable competitor in Harris Queensway, run by one of the new retail entrepreneurs of the 1980s, Mr Phil Harris. Harris Queensway bas more than 100 outlets and—thanks to its joint venture with Debenhams to provide carpets and furniture in 64 department stores—enjoys considerable purchasing muscle in this area.

Sir Terence Conran's Habitat is also a major competitor even though its success in the self-assembly furniture market has been somewhat eclipsed by Sir Terence's other forays into retailing. Habitat has some 45 stores with more than 66,000 sq ft of selling space.

The implications of the Asda/MFI merger for British retailing are significant. It is a further sign that the big will get even bigger during the rest of the 1980s and beyond.

The merger also points the way for the course of retail takeovers. With the OFT and Monopolies Commission breathing down their necks, Britain's biggest retailers know that they cannot easily expand by acquisition in their own sphere of operation. But expanding into different markets offers considerable attractions for those retailers who have got their retailing formula right—hence the recent takeover rumours linking both Sir Terence Conran and Phil Harris with the Debenhams department stores chain.

The merger, meanwhile, suggests that "problem" retailing areas such as furniture may become the growth sectors of the next decade. Forecasts suggest consumers will concentrate more of their spending on the home—at the expense of external leisure pursuits such as going to the pub or to the cinema.

The major retailers such as Boots, Woolworth, British Home Stores, Littlewoods, and the department store chains such as House of Fraser are already recognising this fact and amending their product ranges to match the change in consumer spending patterns.

What, then, about the predatory ambitions of the other major supermarket operators in the 1990s? Both Tesco and J. Sainsbury know that they cannot acquire competitors in the UK without falling fnul of monopoly restrictions, while successful growtb overseas bas proved elusive for most retailers. Asda may not be the first food operator to decide to cash in on some of the opportunities available in other areas of retailing.

FINANCIAL TIMES

Tuesday April 16 1985

Wheeling Pittsburgh 'set to file for protection'

By Terry Dodsworth in New York

WHEELING-PITTSBURGH, seventh largest steelmaker in the U.S., was yesterday edging towards a bankruptcy filing under the Chapter 11 proceedings, according to the union which has been lobbying to find fresh funds for the company.

The United Steelworkers of America (USW), which has been asked to make wage concessions by the company, said that Wheeling's latest round of talks with its lenders had been unsuccessful. The company refused to comment, except to say that any announcement would be released immediately.

Politicians, union leaders and bankers have all plunged into talks on the future of the group over the past few weeks, with the union placing large advertisements in local newspapers asking for banking support to shore up the 8,200 jobs at stake.

In the talks with lenders, Wheeling has been seeking to modify the terms of $514m of long-term debt held by 13 banks and 11 insurance companies. The company has asked for half the interest due this year to be waived, and a postponement of principal payments, in return for an issue of common stock.

The union has offered to make concessions worth $162m in the next two years, in addition to previous give-backs worth about $84m. It has insisted, however, that its concessions would only be available if a "fair plan of equal sacrifice" were agreed. In return for cuts in wages or benefits to $19.50 an hour from the current $21.40, the USW was asking for board representation and shares in the company.

Under the Chapter 11 regulations, Wheeling would gain protection from creditors while it arranged a rescue plan. But the company has been opposed to this manoeuvre because of the loss of face and customers usually involved, while the unioo is worried that it would mean the negotiation of an entirely new contract.

Thyssen resumes payout and plans rights issue

BY RUPERT CORNWELL IN BONN

THYSSEN, the West German industrial group and Europe's biggest steel producer, last night announced plans to raise DM 468m ($153.4m) by means of a rights issue. It will also be paying a dividend of "at least" DM 4 per share for the current financial year which ends on September 30.

News of the one-for-five rights issue, given after a board meeting in Düsseldorf, confirms speculation that the sharp improvement in the group's financial fortunes since 1983 would allow it to carry out a long-overdue operation to raise fresh capital.

The issue will lift the nominal capital of Thyssen AG, the group's parent company, from its present DM 1.3bn to DM 1.56bn. However, each new nominal DM 50 share will be offered to existing stockholders at a price of DM 90, compared with a closing price of DM 96.7 in Frankfurt yesterday.

The company gave no details on the exact timing of the issue, but it said that the new shares would rank fully for the dividend for 1984-85, which will end a two-year spell in which shareholders have received no payment.

The decision of the group to withhold a dividend in 1982-83 for the first time was sparked by a record loss that year of DM 550m. Nor was any payment made the subsequent year, despite a dramatic turnround to a profit of DM 181m, achieved thanks to an upturn in the steel business and a sharp improvement at its previously troubled U.S. subsidiary, Budd.

Thyssen confirmed last night that this year's performance was running ahead of 1983-84, although it gave no details. The capital increase will enable the group to lift its own resources from the September 1984 level of DM 2.5bn, compared with DM 3.5bn four years earlier.

At Thyssen's major annual press conference in January, Herr Dieter Spethmann, chief executive, complained that the capital base had fallen too low, given that Thyssen's overall sales had expanded during the period from DM 27.1bn to DM 32.4bn in 1983-84.

Metallgesellschaft resumes dividend, Page 27

Asda purchase of MFI creates £1.9bn British retail group

BY LIONEL BARBER IN LONDON

ASSOCIATED DAIRIES (Asda), one of Britain's biggest grocery chains, yesterday revealed an agreed £615m ($784m) takeover bid for MFI, a discount furniture retailer, to create one of the UK's largest store groups.

The deal, latest in a string of British retail takeovers, will produce a new company with combined sales of more than £2bn.

In terms of a market capitalisation of £1.9bn, this puts the group just behind the UK's leading retailers, Great Universal Stores, Sainsbury and Marks & Spencer.

"The deal gives us a superb platform for retailing in the 1990s," said Mr Noel Stockdale, chairman of Asda, best known for its Asda food-based superstores and its subsidiary, Allied Carpets.

"We believe there is common expertise in out-of-town retailing and a very good chemistry between the two managements," said Mr Derek Hunt, chairman of MFI whose main strength is in self-assembly "flat-pack" furniture centres.

The two companies have been talking to each other for 14 weeks. The first contact had come through a "go-between," Mr Gerald Horner, an analyst at Scrimgeour Kemp Gee which is stockbroker to both companies, Mr Stockdale said. "We are delighted how secret this has been kept."

However, MFI's share price moved sharply last Friday afternoon, rising 37p to 258p. Asda's advisers, Morgan Grenfell, said the London Stock Exchange was likely to hold an inquiry. MFI is advised by County Bank.

Asda is offering 15 new ordinary shares of 25p each for every eight ordinary shares in MFI. On the basis of last night's closing price for Asda of 164p, up 6p on the day, the offer values MFI at £615m or 307p a share. MFI's shares closed at 303p, up 45p on the day.

MFI shareholders can either take Asda paper or n cash alternative of 144p per new Asda share, equivalent to 270p per ordinary share in MFI. Under the offer, Asda can offer up to 338.23m new shares, representing 29.9 per cent of the group's share capital.

Asda picked up 9.99 per cent of MFI at 8.30am yesterday. Simultaneously, Morgan Grenfell bought 7.52 per cent from former MFI directors and family interests just before the agreed takeover was announced. The 17.51 per cent stake would appear to make it difficult for any rival to launch a counter-bid.

The Asda board said that it would recommend a dividend of not less than 1.6p (net) per ordinary share for the year ending April 27. This would make a total dividend payment of 2.75p, an increase of not less than 10 per cent after adjusting last year's payment for the one-for-five capitalisation issue.

The big get bigger, Page 25; Lex, Page 26

Satellite order worth $150m goes to BAe-led consortium

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

AN INTERNATIONAL consortium led by British Aerospace, has won the battle to supply the first of n new generation of satellites for telecommunications between shore bases and ships and oil platforms at sea.

The order, announced yesterday, is for three satellites, worth $150m, with options for a further six, which would bring the total value to $400m, for the second-generation space segment of the International Maritime Satellite Organisation's (Inmarsat) global maritime satellite communications system.

The contenders were BAe, through its Dynamics Group's space and communications division, at the head of a group including Hughes Aircraft of the U.S., Matra of France and Fokker of the Netherlands; and a consortium led by Britain's Marconi Space Systems. The Marconi group included Ford Aerospace Communications of the U.S. and Aérospatiale of France.

British Aerospace will have about 34 per cent of the work on the new satellites, the first of which is due for launch in mid-1988.

BAe will be responsible for design and manufacture, with Hughes providing the specialised communications payload, and Matra of France and West German and Italian companies providing principal parts.

Inmarsat provides specialist telecommunications ship-to-shore and vice versa. It has 43 member countries, with some 3,300 ships or platforms now equipped to use its system, a figure that is growing almost daily.

Up to now, Inmarsat has used both the European Marecs and U.S. Marisat satellites and has also leased space on satellites belonging to the International Telecommunications Satellite Organisation (Intelsat).

Now, with this second generation of satellites, it will have its own exclusive satellite system, providing global coverage for telecommunications between ships and platforms at sea and shore bases. The new satellites will also provide aeronautical services for the first time.

Each of the new Inmarsat satellites will have up to 400 two-way voice channels, which are expected to be divided into 250 for simultaneous ship-to-shore calls and 125 for shore-to-ship calls.

The British Aerospace Dynamics Group has extensive experience in satellite development. BAe and Matra developed the Eurostar spacecraft, which will be the basis of the new satellites.

North Sea oil groups will accept new range of prices

By Dominic Lawson in London

THE EXPECTED fight by North Sea oil suppliers against British National Oil Corporation proposals to pay them less from this month has failed to materialise.

The suppliers have started to tell the state oil trader, which is about to be disbanded, that they will accept April prices based on a $1.15 a barrel cut in the price of Brent, the North Sea marker crude, bringing it to $27.50.

None has so far given notice of wanting to exercise its right to have a tribunal of independent experts assess the price proposals.

So far three companies are believed to have accepted the price cut, and others last week indicated privately that they would follow suit, even though the price was below the current April spot market value of North Sea oil.

North Sea suppliers had been expected to put up e strong fight against the price cut, but for a number of reasons, not all strictly commercial, they have decided to accept the cut.

Many leading producers want to end their participation arrangements with BNOC at the earliest possible date, which is the end of this month. They fear that if they fight the BNOC April price decision, it would be very difficult simultaneously to negotiate a friendly divorce from BNOC. "It is a question of the stick and the carrot," said one oil company, "and we must give the carrot."

The oil companies are also aware that the price of $27.50 represents exactly what BNOC averaged for its sales of April North Sea Brent crude. If BNOC were forced to pay a cent more to the companies, it would once again be making oil trading losses, which the UK Government will no longer countenance. "It would fly in the face of Government to fight this price," said one oil company executive.

The U.S. oil companies, in particular, are very sensitive about the fact that the Government is now deciding which companies should get the best prospects in the current ninth round of offshore oil and gas licences.

Finally, the North Sea producers know that for a long time they made money at BNOC's expense, when the state oil trader paid more for its supplies than the open market value of the oil. "Even with this April price cut, we won't have done badly over the past six months," conceded one of BNOC's suppliers.

Meanwhile the oil companies are beginning to work out how they can best take advantage of the abolition of BNOC. The Government had said that it will set up a new rump organisation, the Government Oil and Pipelines Agency, which will handle the 250,000 barrels a day of oil taken by the Government as a royalty on production.

At least one of the larger independent oil companies is now indicating to the Government that it would like to play a part in the selling of that royalty oil.

Bechtel wins Colombian pipeline order

By Our Trade Staff

OCCIDENTAL Petroleum of the U.S. and Ecopetrol, the Colombian national oil company, have been authorised to grant a major contract to Bechtel of the U.S. to build a 286-mile oil pipeline in north-east Colombia.

Occidental officals announced that authorisation to grant the contract was given by Ecopetrol's board. Value of the deal was not announced pending final negotiations.

The announcement indicates that Bechtel, the largest U.S. engineering consultant and construction firm, has won its battle with GTM-Entrepose, the subsidiary of Valourec steel group of France. The negotiating price for the deal was valued at $500m, but both bidders were understood to be involved in a severe price cutting drive to win the deal.

The deal involves construction of the second portion of a 500-mile pipeline being built across the Andes. The first phase, 184 miles, is being built by Mannesmann of West Germany. The Bechtel segment is to connect the inland centre of Rio Zulia with the Caribbean port of Covenas. It is the final step allowing crude oil from the huge Cano Limon oilfield to each market. The companies have estimated the field's reserves at 1bn barrels.

Mr Armand Hammer, Occidental's chief, said the two pipelines should permit the Cano Limoo field to produce 200,000 barrels of crude daily by mid-1986. Combined with Colombia's other production, that should meet all the nation's oil needs

THE LEX COLUMN

Flat-pack stools for dairymaids

If Tesco were to announce tomorrow that it was merging with Harris Queensway, the stock market would no doubt applaud the deal as aggressive and far-sighted. With retail conglomeration all the rage, Associated Dairies and MFI were almost guaranteed a warm reception for their proposed partnership. On Friday morning, MFI was valued by the market at £442m; in the course of yesterday's trading, Asda added £200m to that figure and saw its own share price rise in the process.

This would all be very well if the combination promised any visible benefit from enhanced buying power, shared costs or joint store development. Yet both companies were disarmingly modest yesterday about their ambitions in that direction. It may be that synergy does not figure in Asda's Yorkshire vocabulary; more probably, the two parties recognise that self-assembly furniture and groceries are rather distinct products and will treat them as such.

The merger will admittedly allow the two companies to pool their acknowledged expertise in out-of-town retailing; arguably, Asda's knowledge of scanning techniques will complement MFI's familiarity with stock and order systems. But, in the context of a group this big, the benefits are bound to be marginal.

The main argument advanced for the merger yesterday – and presumably the explanation of the share price movements – was that the combined group would be able to call on management resources almost unrivalled in British retailing.

That argument cuts both ways. It may be that MFI, occupying e dominant position in its UK sector and feeling its way slowly in the U.S., saw the need for a new challenge. Similarly, Asda may have recognised limits to growth, particularly in south east England where planning permission is hard to come by.

But if both companies see signs of maturity in their respective markets, a merger is no way to solve the problem. It just makes the numbers bigger. Asda is buying n business with good, if cyclical, growth prospects but in exchange its shareholders will suffer earnings dilution of perhaps three to four per cent this year and next. There is nothing much wrong with this deal. It is just hard to see how two and two add up to much more than four.

Glaxo

The City has been so dyspeptic at any mention of Glaxo since the beginning of the year that some form of treatment was overdue; and yesterday's pre-tax profits to December were just the thing to prove the market a malingerer and add 75p to the share price. At the same time, the Glaxo price yesterday broke its tendency to move with the U.S. dollar; on a day when the dollar shed 3c in London, U.S. investors could not find it in their hearts to sell a company that is turning in consistent profits growth that no U.S. pharmaceuticals group can match.

The curious thing is that the City, having lived and breathed Zantac since the beginning of the 1980s, managed to miss the moment when the drug broke through to spectacular profitability in the U.S. Zantac now commands around 40 per cent of the American market in anti-ulcerant preparations. Worldwide, the drug is selling on margins of 30 per cent or better and has some way to run in terms of profit contribution, even if market share cannot go on growing at an average rate of 5 or 6 percentage points.

Glaxo has very few declining products, with even an old stager like Ventolin performing excellently in the U.S. Purely on its experience in the U.K., Glaxo's third-generation cephalosporin antibiotic has decent prospects in the U.S. and Japan. Glaxo is not a one-product company. It is simply that one single product is very good indeed.

In these circumstances, only the perpetual worrier would complain that Yamanouchi's new anti-ulcerant will dent Zantac's place in the Japanese market and claw back what is, after all, a monopoly position in Italy. The dividend yield is dismal, but Glaxo has at least increased the interim payout almost in line with growth in taxable profits.

The more serious question must be whether Glaxo will be drawn by Zantac's tremendous cash-generative properties into a string of acquisitions: Glaxo's cash balances probably stand now at well over £100m and are growing fast. The signs are, however, that Glaxo will opt rather for organic growth in the U.S. and Japan. And while the historic rating with the share price at £11.50 is a heady one, profits of £500m look easily in reach for next year – leaving Glaxo at n rather modest prospective rating of 13.

Entrad/Tootal

The fact that Entrad has managed to buy about a quarter of Tootal's shares so easily – in possibly the first instance of a long-weekend raid – shows plainly enough that many of Tootal's shareholders were only there for the bid. Over the last five years, after all, Tootal's retained losses have added up to £59m, and for much of the time it has looked a sitting duck. A slightly more generous offer from Entrad – perhaps 80p – and there would not have been much resistance.

For those institutional shareholders who did not unload their stock over the weekend, however, the issue must now look much less clear. After the latest batch of extraordinary write-offs – £26m for the year to January – there is n case for believing Tootal's claim that it can get through 1985 without cutting deeper into its equity. And that should also mean that Tootal's operations have been sufficiently cleaned up to be generating cover for the promised dividend increase.

Looking through the business portfolio, it is nonetheless a bit hard to see how Tootal can promise a lot in the way of growth. Thread is a mature commodity market, though at least Tootal should have recovery profits from a reorganised American Thread. But other products tend to be either too small in scale to matter – non-wovens is an attractive source of growth, though small even io relation to Tootal and not eveo wholly-owned – or obviously static, like branded clothing.

This may not matter too much if the bulk of Tootal's remaining shareholders are income funds, for whom a 9 per cent yield – on a likely share price near 65p – could be sufficient inducement to stick with the management. For this type of fund, dynamic growth would be a bonus.

Sudan close to naming new Cabinet

Continued from Page 1

phase of development we can think of the army as an entirely apolitical body."

The intense debate over the Cabinet saw the original charter members broadly in favour of a Cabinet of non-political technocrats. By last night, that school appeared to have won the day over those who wished five of the Cabinet posts go to union representatives and five to nominees of leading political parties.

There appears to have been general agreement that the defence portfolio will remain with the military, the Interior Ministry is likely to go to the police and three places will be allocated to the representatives of the south of the country.

A spokesman for the original signatories to the charter said yesterday that all officials and politicians associated with the Nimeiri regime would be excluded from office in the new administration.

The main groups representing the civilians in the talks are the broad-based alliance of Nationalist Forces for Salvation, a coalition of five leading unions – doctors, engineers, lawyers, Khartoum University staff, bank and insurance employees – and three political parties – Umma, Democratic Unionist and Communist.

The alliance's charter, calling for civilian rule, regional self-government for the troubled southern Sudan, and non-alignment in foreign affairs, published on the eve of the overthrow of Mr Nimeiri, has attracted growing support.

The rapid proliferation of political parties – the latest count is 30 – has left the large, unwieldly civilian group divided over strategy, however.

Pound strong as economy fears hit $

Continued from Page 1

this week are now widely predicted to show a sharp slowdown in the pace of U.S. economic growth.

Unease over the U.S. financial system had been rekindled by the collapse last week of a U.S. securities dealer amid continuing concern about the bealth of gome U.S. banks.

Many dealers were predicting further losses for the U.S. currency unless the output figures – industrial production today and first quarter GNP on Thursday – show stronger growth than expected.

'High-risk' U.S. banks may face new curbs

Continued from Page 1

size of the capital "cushion" they maintained against possible difficulties. Under the Fed proposals, banks would be "zoned" according the adequacy of their capital reserves.

Primary capital, representing shareholders' equity, reserves against possible future losses and other items, is an important measure of the strength of an individual bank. The primary capital ratio measures such capital base against total assets but, as the Comptroller's office has noted, it does not reflect the added risk involved in activities that do not appear on the balance sheet or the liquidity of the asset base.

Yesterday, new minimum capital requirements agreed by the U.S. bank regulators formally went into effect. Banks have been required to increase their minimum primary capital to assets ratio from 5 per cent to 5.5 per cent and a total capital to assets ratio from 5.5 per cent to 6 per cent. The new rules have already forced U.S. banks to raise an estimated additional $2.5bn in capital since the new rules were first proposed last year in the wake of the near collapse of Continental Illinois.

● The collapse of Bevill, Bresler and Schulman (BBS) threatens to undermine the solvency of several U.S. savings banks, according to the Federal Home Loan Bank Board.

Preliminary estimates by the FHLBB show that more than 75 U.S. thrifts might face total losses of more than $200m as a result of the collapse of the BBS government securities group last week. The FHLBB study was ordered by Mr William Schilling, director of examinations and supervision.

The latest FHLBB estimate further raises the possibility that the losses stemming from the BBS failure might be substantially higher than the initial $198m forecast.

Separately, Mr Saul Cohen, trustee of the BBS asset management unit, who at the weekend disclosed the discovery of about $5bn in previously unknown transactions on the BBS books, raised his estimate of the total losses to $233m.

Mr Cohen said be had uncovered net assets of about $42m to satisfy creditor claims against asset management so far of about $275m.

Meanwhile, the Northern Banking Group in Arkansas, which had previously given a warning that its principal banking unit might lose $52m as the result of its dealings with BBS, reported that it arranged a $32m capital infusion to offset the potential losses. The $32m in additional capital will be raised through a rights issue.

The BBS collapse has further focused attention on the fragility of sections of the U.S. financial system and in particular on the savings banks.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	T	12	54	Dubrovnik	C	13	55	Malaga	S	20	68	Salzburg	C	8	46
Akrotiri	S	20	68	Faro	S	20	68	Malta	C	15	59	Seoul	S	18	64
Algiers	F	16	61	Florence	S	17	63	Manila	S	35	95	Singapore	C	31	88
Amsterdam	S	10	50	Frankfurt	C	9	48	Miami	R	27	81	Stockholm	C	2	36
Athens	F	12	54	Funchal	C	20	68	Milan	F	17	63	Strasbourg	-	—	—
Bahrain	S	30	86	Geneva	F	9	48	Moscow	S	15	59	Sydney	S	24	75
Bangkok	S	36	97	Gibraltar	S	19	66	Munich	T	5	41	Taipei	S	19	66
Barcelona	-	—	—	Guernsey	Fg	10	50	Nairobi	-	—	—	Tangier	S	22	72
Beirut	C	14	57	Helsinki	S	3	37	Naples	D	13	55	Tehran	-	—	—
Belgrade	C	12	54	H. Kong	C	19	66	New Delhi	S	30	86	Tel Aviv	S	21	70
Berlin	R	6	43	Innsbruck	F	9	48	New York	R	9	48	Tenerife	S	22	72
Biarritz	C	13	55	Inverness	R	6	43	Nice	F	16	61	Tokyo	C	14	57
Blackpool	S	8	46	Istanbul	F	17	63	Oporto	S	20	68	Toronto	C	16	61
Bordeaux	C	12	54	Jersey	Fg	9	48	Oslo	F	4	39	Tunis	C	13	55
Brussels	F	8	46	Jo'burg	F	20	68	Paris	F	12	54	Valencia	S	21	70
Budapest	C	13	55	Las Palmas	S	22	72	Prague	F	10	50	Venice	S	15	59
B. Aires	F	22	72	Lima	F	26	79	Reykjavik	Sl	3	37	Vienna	F	12	54
Cairo	F	26	79	Lisbon	S	18	64	Rio de J'o	S	31	88	Warsaw	F	11	52
Cape Town	S	27	81	Locarno	S	16	61	Rome	C	16	61	Zurich	F	9	48
Caracas	C	29	84	London	F	13	55								
Casablanca	S	22	72	Los Angeles	C	29	84								
Copenhagen	F	8	46	Luxembourg	F	8	46								
Corfu	C	15	59	Madrid	S	16	61								
Dublin	F	15	59	Majorca	S	18	64								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder H–Hail

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Unocal's rejection sets stage for bid battle

BY WILLIAM HALL IN NEW YORK

UNOCAL, the West Coast integrated oil company, has rejected Mr T. Boone Pickens' $3.4bn tender offer for majority control, setting the stage for what many on Wall Street believe is going to be one of the U.S. oil industry's toughest takeover battles.

After an emergency board meeting on Saturday to consider Mr Pickens' $54 a share cash tender offer for 64m Unocal shares, the company issued a short statement on Sunday describing the bid as "grossly inadequate" and urged shareholders to reject it.

Mr Pickens' group said yesterday that it had arranged the $3.9bn in financing it would need for the offer.

Unocal's decision to rebuff Mr Pickens, who has become a Wall Street folk hero after his raids on undervalued oil companies like Gulf Oil and Phillips Petroleum, comes as no surprise given the strong antipathy between Unocal's 67-year-old chairman, Mr Fred Hartley, and Mr Pickens.

There was some surprise, however, at the briefness of Unocal's statement rejecting the offer. It made no attempt to justify why the bid was so inadequate when many Wall Street analysts regard the price as a fair one.

Before Mr Pickens' arrival in late October, when he began to buy his 13.6 per cent stake in the company, Unocal shares were trading in the low $30 range. After last week's bid Unocal shares closed at $48¾, valuing the company at $8.5bn.

Institutional shareholders who own a large part of Unocal's 173.7m shares, are well aware that the share price would fall sharply if Mr Pickens was to depart and this factor should work in his favour.

While Unocal's performance over the long-term has been reasonably good, over the last four years its return on equity has fallen sharply and the shares have performed poorly. Although many people in the oil industry respect Mr Hartley, who has run the company for more than 20 years, there is no obvious successor in the wings being groomed to take over the company.

In addition there is little prospect of much improvement in Unocal's operating environment over the next few years. As a result, analysts are well aware that Unocal's share price is unlikely to approach the $70-plus appraised value put on the company by J. S. Herold, the petroleum consultancy firm that specialises in valuing oil companies.

Unlike Phillips Petroleum, which fought off Mr Pickens earlier this year, Unocal has made no effort to say what it thinks would be a fair price. It has also shown little interest in taking steps to enhance its short-term share price in response to Mr Pickens' unwelcome overture.

Whereas Gulf Oil was forced to seek out a white knight in the form of Chevron to rescue it from Mr Pickens, and Phillips Petroleum was forced to swap half of its equity for debt to escape him and the other corporate raiders, Unocal appears to be standing its ground.

Chase Manhattan up 31% in quarter

By Paul Taylor in New York

CHASE MANHATTAN, the third largest U.S. banking group yesterday reported a 31 per cent increase in first-quarter net earnings to $133.9m, or $2.92 a share, compared with $102.5m, or $2.55 a share, in the previous corresponding period.

The earnings improvement came despite substantially higher loan loss provisions, charge-offs and a further increase in non-performing loans – particularly those to the Venezuelan private sector – in the latest quarter. Chase said its provision in the first quarter totalled $95m, or 27 per cent more than the $75m provision made a year ago.

Net loan charge-offs grew 45 per cent to $74m from $51m a year ago and the bank's reserve for possible loan losses was increased 33 per cent to $779m, or 1.29 per cent of all loans, compared with $588m, or 1.04 per cent of all loans outstanding a year earlier.

Chase Manhattan said its total non-accrual and reduced-rate non-performing loans at the end of the latest quarter were $2.4bn, or 3.9 per cent of total loans, compared with $2.2bn, or 3.5 per cent, at the end of December and $1.6bn or 2.9 per cent a year ago.

The increase in non-performing loans since the year end, which is in contrast to many of the other major U.S. money centre banks that have reported higher year-on-year figures but a decline since the end of December, includes a substantial increase in Venezuelan loans placed on a non-accrual basis.

● PNC Financial, the Pittsburgh-based banking group, said first-quarter net earnings increased by 41 per cent to $43m, or $1.81 a share, from $30.4m, or $1.40 a share, a year earlier.

Court rulings fuel row over Dornier ownership

BY RUPERT CORNWELL IN BONN

TWO COURT decisions yesterday have signalled a possibly decisive shift in the balance of power at Dornier, which in turn could hasten the acquisition of a majority stake in the strife-racked aerospace group by the Daimler-Benz motor group.

The two rulings, by separate courts in Stuttgart, are major blows to the group of heirs, led by Justus Dornier, son of the firm's founder Claude, who with a 38.4 per cent block of shares has had the decisive say in running the company's affairs.

The first invalidates the surprise sacking last February – instigated by the faction comprising Justus, his brother Christoph and sister-in-law Ellen – of Herr Manfred Fischer, brought in only five months earlier as chief executive of Dornier.

The court found that the supervisory board had breached its own rules that day, by failing to provide adequate information for its members representing unions and employees. Theoretically, the move means that Herr Fischer can take up his former duties at once, though whether he would do so was not clear last night.

Of more immediate relevance to the possible deal with Daimler-Benz, however, was the second verdict. This overruled the opposition of Justus and his supporters to Professor Hans Thümmel, as executor of the estate of Anna, the widow of Claude Dornier who died intestate in August 1984.

This effectively means that Professor Thümmel will control the crucial 27.8 per cent held by Anna. He is reckoned to be not only aligned with the other bloc of Dornier heirs, the so-called "Friedrichshafen group" of Claudius, Silvius and Peter Dornier stock, but also a supporter of a link-up with Daimler-Benz.

As a result the Justus-led faction, generally hostile to any such agreement, is likely to find itself the clear losers in any vote at a shareholders assembly. Unconfirmed reports last night suggested one might be convened within the next week.

Meanwhile the first public pointer to an imminent deal with Daimler-Benz emerged yesterday with a meeting, at the invitation of Herr Lothar Spath, the Baden-Württemberg premier, between representatives of the warring Dornier clan and senior executives of the motor group.

Daimler last night merely described the discussions as "for information." No indication of the size of a possible stake has been given. But analysts estimate that majority control of Dornier, which had 1984 sales of nearly DM 1.5bn ($390.6m), could cost up to DM 500m.

Nixdorf sustains rapid growth

By John Davies in Frankfurt

NIXDORF, the West German data processing company, is continuing its rapid expansion, with sales and orders running well ahead of a year ago.

Net profit rose 29 per cent to DM 121m ($39.8m) last year on sales 21 per cent ahead at DM 3.27bn, with just over half the sales revenue earned abroad.

The Paderborn-based company, which went public with an issue of non-voting preference shares last year, is paying an unchanged dividend of 18 per cent on its 1984 results.

Nixdorf expects business this year to show about the same rate of expansion as the last 12 months. It made a buoyant start with sales revenue in the first quarter 29 per cent ahead of a year ago, and new orders 32 per cent ahead.

The company claims to be on target to achieve its goal of doubling sales revenue over the four years to 1987.

Nixdorf has built up a particularly strong position in supplying data processing equipment to banks, insurance companies and retailers, and other medium-sized businesses.

With the convergence of computer and communications technologies Nixdorf is giving increasing attention to developments in telecommunications and expects these activities to gain in importance within the company.

Nixdorf executives have indicated that their ambitions in this field extend not only to devices for telephone users but also to equipment for use within the public communications network.

In line with this strategy, it is already taking part in field trials commissioned by the Bundespost for optical fibre visual communications services.

It also launched a digital private exchange in 1982 and is introducing a digital telephone for voice, data and video transmission.

Metallgesellschaft to resume dividend

BY OUR FRANKFURT STAFF

METALLGESELLSCHAFT, the West German metals, engineering and chemicals group, lifted sales and profits more than expected in the first half of its current financial year, strengthening hopes of resuming a dividend payment.

The group's worldwide sales revenue reached DM 7.5bn ($2.46bn) in the six months to the end of March, about 30 per cent more than in the relatively weak first half of the previous financial year. Operating earnings were about 25 per cent ahead.

Dr Dietrich Natus, chief executive, stressed that the rate of increase would not be as high in the coming months because business had picked up in the comparable period a year earlier.

The company hopes to resume payment of a dividend of at least DM 5 per share for the current financial year.

Metallgesellschaft has omitted a dividend for three successive years. A dividend of DM 4 a share was paid for 1980-81. It now claims, however, to have successfully coped with several problems in metals manufacturing and mining.

Metallgesellschaft has already made write-offs or risk provisions to cover its commitments to the Ok Tedi gold and copper mining project in Papua New Guinea.

The company still has several months to consider its attitude to proposals drawn up for the phased development of the project, which has suffered serious setbacks.

Metallgesellschaft and Degussa, the West German precious metals company, have 7.5 per cent stakes in Ok Tedi.

Akzo keen to expand in U.S.

By Our Financial Staff

AKZO, the Dutch chemicals and fibres group, stands to increase its sales base significantly if negotiations aimed at a large U.S. acquisition are agreed.

Akzo is seeking to acquire Inmont Corporation, a paint manufacturer servicing the motor industry, from United Technologies, the diversified U.S. group.

Inmont, based in New Jersey, has sales of around $1.1bn. Last year Akzo's turnover was Fl 16.5bn ($3.8bn).

Akzo, which earned Fl 750m of profit for 1984, is eager to expand U.S. operations, especially in the coatings industry. It is trying to shift its business profile away from European heavy chemicals and textile fibres.

Akzo said earlier this year that it possessed more than Fl 1bn of cash and extensive credit lines to pursue its ambitious expansion plans. The group derives about 20 per cent of sales from the U.S.

At the start of 1983 Akzo acquired Wyandotte Paint Products, a U.S. coatings manufacturer. The company also plans to market advanced car paint colour mixing technology to car-body shops in the U.S.

Allied starts year on strong note

BY OUR NEW YORK STAFF

ALLIED CORPORATION, the diversified U.S. manufacturing and chemicals group which earlier this month agreed to sell half of its Union Texas Petroleum unit to an investment group for $1.7bn, yesterday reported record but essentially flat net earnings.

The New Jersey-based group said net earnings in the first quarter were $134m, or $1.37 a share, against $133m, or $1.36 a share, a year earlier, on sales which were flat at $2.78bn compared with $2.77bn.

Mr Edward Hennessy, Allied's chairman, said that first-quarter after-tax operating income from the company's five sectors increased from $148m last year to $152m in the latest quarter, reflecting a sparkling performance by the aerospace sector, continued improvement in the industrial and technology sector and higher profits from the oil and gas division.

Capital expenditure in the first quarter increased from $106m a year ago to $135m, with research and development and engineering expenses growing to $112m from $101m.

Among the individual divisions, Allied said aerospace sales and net income increased significantly, reflecting higher sales and improved performance for defence and military avionics systems.

Abitibi-Price profits surge to C$23m

By Robert Gibbens in Montreal

ABITIBI-PRICE, the world's largest newsprint producer, reported sharply higher earnings for the first quarter and remains optimistic for 1985.

First-quarter earnings were C$23.7m ($32.2m), or C$1.02 a share, against C$10.3m, or 40 cents, a year earlier, on sales of C$581m against C$470m. For all of 1984, Abitibi-Price earned C$72.3m, or C$3.07 a share, on revenues of C$2.1bn.

The company has reinforced its competitive position through major capital programmes, and is upgrading two additional older mills and has acquired an important envelope manufacturer and printing paper distributor.

NORTH AMERICAN NEWS

FCA chiefs receive payment of $5.2m

BY OUR FINANCIAL STAFF

FINANCIAL Corporation of America (FCA), the big U.S. thrift which came close to collapse last year, said it had paid its former chairman, Mr Charles Knapp, and several other former executives more than $5.2m in salary, severance pay and consulting fees in 1984 and so far this year.

FCA, parent of American Savings & Loan Association, said that, when Mr Knapp was in office, it had lent executives "several hundred thousand dollars" at interest rates as low as 4 per cent. Except for a $350,000 loan at prime rate to Mr Knapp, all the loans had been repaid.

The company also disclosed that Mr William Popejoy, the new chairman, is receiving $520,000 in annual salary. Mr Popejoy noted that he had taken a 20 per cent pay cut from his initial salary of $650,000 when he joined the company in August.

● A key indicator of the health of the U.S. semiconductor market, the orders-to-deliveries or "book-to-bill" ratio, rose last month to 0.86 from 0.79 in February, the Semiconductor Industry Association said.

Mr Thomas D. Hinkelman, president, said the figures indicated that the U.S. market continued to show signs of gradual recovery. The ratio stood at 0.85 in January and 0.84 in December.

● Alcan Aluminium, the Montreal-based aluminium producer, has sold its 50 per cent equity interest in Aluminio Alcan de Colombia to Industrias Metalurgicas Unidas, which already owns the other 50 per cent.

Aluminio Alcan is the country's second largest aluminium fabricator and operates sheet rolling and extrusion facilities. Alcan is selling its stake for $4.5m, the book value of its investment.

● Reliance Financial Services, controlled by New York City investor Mr Saul Steinberg, told the Securities and Exchange Commission that it intended to mount a proxy fight for control of the board of Tiger International, which owns the Flying Tiger Line air cargo carrier, as reported in some editions yesterday.

Reliance, which holds 17.8 per cent of Tiger's shares, said it had learned that the company had declined to take any action on Reliance's request to nominate representatives to Tiger's board at the company's annual meeting next month.

● Golden Nugget, the U.S. casino group, has attempted to break the deadlock on its $488m offer for a 24.7 per cent stake in Hilton Hotels, the larger California hotels and casinos concern.

Gold Nugget said it was willing to negotiate the price and payment of its $72 a share offer for 6.8m Hilton Hotels shares owned by the estate of Hilton's founder, Mr Conrad Hilton, who died in 1979.

Last week Hilton Hotels raised its bank credit line to $600m from $250m and proposed a number of anti-takeover measures

● Revlon, the U.S. cosmetics company, has joined the growing list of U.S. groups seeking approval from shareholders for anti-takeover measures.

The company is proposing a staggered board of directors, on terms which would prevent the ousting of the entire group at a single annual meeting. It is also proposing that stockholder action be taken at annual or special meetings

● National Intergroup, the steel, energy and financial services holding company which is shortly to merge with drugs distributor Bergen Brunswig, has reduced its 1984 net earnings figure by $38.9m to $13.7m, rather than the $52.6m previously reported.

The company said the reduction reflected charges resulting from commitments made by the aluminium unit for the purchase of ingots.

● Mr Carl C. Icahn, the U.S. investor, has started his $18 a share tender offer for 18m shares, or 53 per cent, of Uniroyal, the third biggest U.S. tyre producer.

In a newspaper advertisement, Mr Icahn said the offer would expire on May 10 unless extended.

A&A and Reed Stenhouse revise terms

By Terry Dodsworth in New York

ALEXANDER & Alexander of the U.S. and Reed Stenhouse of Canada, who agreed to merge last December in a deal creating the world's second largest insurance broker, have revised the terms of the deal to take account of improved prospects at Alexander.

The two companies said yesterday that for each class A or class C share of Reed Stenhouse, holders would receive the equivalent of 0.576 Alexander & Alexander common share – or 1.728 Alexander shares for each three Reed Stenhouse shares. That represents a lower exchange ratio for Alexander shareholders than under the original agreement whereby Reed Stenhouse stockholders were to receive the equivalent of two Alexander & Alexander shares for every three Reed Stenhouse shares.

Shareholders in the two companies will receive details of the revised transaction later this week.

INTERNATIONAL APPOINTMENTS

Caterpillar promotes Donis to president

BY TERRY DODSWORTH IN NEW YORK

THE APPOINTMENT of Mr Peter Donis as president of Caterpillar Tractor, the hard-pressed U.S. earthmoving equipment group, means that the top two position in the company have changed since the beginning of this year.

Mr Donis, a long-time Caterpillar employee, but a dark horse for the job, will move up from executive vice-president level in June, only four months after Mr George Schaefer became chairman and chief executive officer. It will be their shared responsibility to try to pilot Caterpillar back into profits after a three-year period of heavy losses in which the company has been hit by the strong dollar and increasing Japanese competition.

Like their predecessors, who had reached normal retirement age, both men have enormous experience within the group. Mr Schaefer, 56, joined the company in 1951 and held a string of financial and operating position before becoming a member of the five-man executive vice-president group in 1981. Mr Donis, who is 60, became an executive vice-president in 1977 after a varied carer in accountancy and general management in the U.S. and Scotland.

The new team takes over at a time when Caterpillar is already well down the road towards a radical restructuring of the company. Jobs have been cut drastically, the dividend slashed, and factories closed in an attempt to put the company back on a firmer operating footing.

At the same time, the company has shifted production towards lower cost operations overseas, while pressing ahead with a new range of lighter equipment.

On Wall Street, the two apointmnts have met with overall approval. Mr Schaefer is regarded as a tough manager who has been closely involved in the reorganisations of the last two years, and it is generaly felt that it was he who wanted to put Mr Donis in the president's chair ahead of some of his better-known colleagues.

Saga seeks $400m of extra funds

By Fay Gjester in Oslo

SAGA PETROLEUM, the Norwegian energy group that last year borrowed $600 million on the international market to help to finance its involvement in four large Norwegian shelf development projects, is negotiating $400m of additional finance for two other projects.

Mr Asbiørn Larsen, Saga's managing director, said the company's share of the Oseberg project would require an additional $300m and the Gullfaks II interest around $100m.

The company's annual report, published yesterday, shows group profit before extraordinary items up by NKr 102.7m ($9.3m) to NKr 287.9m. Turnover rose to NKr 898.1m from NKr 619.9m, mainly as a result of higher earnings from sales of petroleum from the two producing fields, Statfjord and Murchison, in which Saga has stakes.

Profits after extraordinary items were, however, sharply down at NKr 80.5m (NKr 321.4m), mainly because of write-offs for heavy exploration expenditure. After tax and allocations, net profit was NKr 24.1m, against NKr 69.3m.

A dividend was again omitted, reflecting the company's continuing extensive investment in Norwegian shelf exploration and development projects over the next few years.

Motorola suffers 47% decline in earnings

BY OUR FINANCIAL STAFF

MOTOROLA, the big U.S. electronics group, has suffered a 47 per cent fall in first-quarter net earnings, mainly because of the severe downturn in demand for semiconductors, as reported in some editions yesterday.

Net profits dropped from $78m, or 66 cents a share, in the 1984 quarter, to $41m, or 35 cents; sales rose 5 per cent from $1.26bn to $1.32bn.

Sales of semiconductor products, which represented 39 per cent of revenues and 64 per cent of profits last year, were down 6 per cent in the first quarter from a year earlier. New orders fell 53 per cent and operating profits were substantially lower.

Elsewhere, sales in Motorola's communications sector rose 14 per cent and new orders 3 per cent, but the order backlog fell 15 per cent. Operating profits rose sharply.

● Lower earnings were reported by NCR, the Ohio-based computer group. First-quarter net profits slipped from $45.5m, or 43 cents a share, to $43.6m, or 43 cents, while revenues fell from $861.4m to $842.7m.

Philips transplants Busch

BY LAURA RAUN IN AMSTERDAM

MR CONSTANT BUSCH has been appointed director of corporate finance for Philips, the Dutch electronics group, effective May 1.

Mr Busch previously served as finance director for Philips' activities in the UK. He will succeed Mr J. H. Goris, who was named chief executive officer of Euroventures.

Euroventures was founded in the Netherlands on January 1 by a dozen members of the Roundtable of European Industrialists to provide venture capital to European companies, particularly for satellite projects.

Mr J. Knoester will take over from Mr Busch as UK corporate finance director. He has served since November 1984 as interim corporate finance director within Philips International in Eindhoven.

Mastercharge chairman

BY OUR NEW YORK STAFF

MR RICHARD ROSENBERG, who was recruited from Wells Fargo Bank last year as part of the new management team at Crocker National, Midland Bank's troubled West Coast banking unit, has been elected chairman of Mastercharge International, the global payments system company.

Mr Rosenberg, who succeeds Mr Frederick Dean, the chairman and chief executive of the Bank of Virginia, joined Crocker as a vice-chairman in charge of the bank's California banking group last summer from Wells Fargo, where he had also served as a vice-chairman and director.

His appointment to Crocker helped complete a management shake-up at the West Coast banking group which was completed in November with the resignation of Mr John Place as chairman and chief executive of Crocker National.

Bekaert annual results advance

BY PAUL CHEESERIGHT IN BRUSSELS

BEKAERT, the Belgian steel wire products group, boosted profits last year as its leading industrial markets strengthened.

Group net profits were BFr 2.8bn ($36.4m) against BFr 1.7bn in 1983, and the Belgian parent's net profits reached BFr 1.3bn against BFr 753m.

This performance prompted Bekaert – Europe's largest independent wire-maker – to lift its 1984 dividend to BFr 175 net a share, from BFr 145 in 1983 and BFr 120 in 1982.

Shares attracting special tax benefits arising from a period when the Belgian Government offered fiscal incentives for new investment have a payout of BFr 299. Bekaert raised fresh capital in 1982.

The group is embarking on a diversification programme, but the results of this so far have had no more than a minimal impact on earnings.

The traditional business benefited from better demand as economic recovery in the West gathered force, and as the dollar rose. The performance was sustained throughout the year; net profits were accumulating at double the rate of 1983 even in the first half of 1984.

Profits rose faster than turnover, suggesting that higher productivity in the group's traditional business is coming through in the form of higher profit margins. Turnover for the group in 1984 was BFr 47.6bn, 30 per cent more than in 1983.

For the Belgian parent, turnover increased 21 per cent to BFr 26.9bn.

INTERNATIONAL COMPANIES and FINANCE

Flat earnings for Daewoo group

BY STEVEN B. BUTLER IN SEOUL

DAEWOO, the only major business group in Korea to publish consolidated results, has reported after-tax earnings of 35.32bn won ($43.9m) for 1984 on sales 4,240 bn won.

Earnings were basically flat, increasing by only 2 per cent for the year, while sales gained 25 per cent when calculated in Korean currency. In dollar terms, because of the strength of the U.S. dollar earnings declined by 2 per cent on a sales increase of 20 per cent. Earnings per share reached 242 won, up from 237 won.

The company said that consolidation for the first time of Daewoo Motor Company was responsible for 8 per cent of the increase in sales but had no net effect on profits.

Revenues from overseas construction increased by 32 per cent to $993m. Domestic construction, however, decreased by 8 per cent to 236bn won.

Exports in 1984 increased by 2.5 per cent to $2.58bn, led by ships and offshore structures, machinery and rolling stock, steel, textiles and consumer electronics.

The consolidated statement includes companies of which Daewoo owns more than 50 per cent, and Daewoo Motors, which is a 50-50 joint venture company with General Motors of the U.S.

The companies fully included in the statement are Koryo Leather Industrial, a manufacturer of shoes and leather goods, Daewoo Electronics, which produces consumer electronic goods, Dong Woo Development, a hotel management company, Korea Steel Chemical, Korea Capital Corporation, and Daewoo International (America).

The statement does not include consolidated results from Daewoo Shipbuilding and Heavy Machinery or Daewoo Heavy Industries, prominent companies in which Daewoo holds large minority interests.

The Daewoo group had its start in light industrial manufacturing, particularly footwear and textiles, Mr Kim Woo-Choong, Daewoo's chairman, says he expects the company's future growth will be led by fine chemicals, electronics, and automobile manufacturing.

Dubai police hold British bank manager

BY CATHY EVANS IN DUBAI

THE BRITISH general manager of one of the UAE's smaller banks has been detained by the Dubai police and is under investigation for alleged irregularities in the bank's accounts.

Mr Len Forsyth has been the general manager of the Bank of the Arab Coast for some years, and has had long experience in Gulf banking, beginning in Kuwait. He is being held in a local police station.

This is the second occasion within the last six months that local bank managers have been arrested in the Emirate. Only a few months ago, the senior management of the Emirate National Bank were arrested prior to the bank's takeover by the Dubai government through the Union Bank of the Middle East. The managers are still being detained pending investigation.

An official for the Bank of the Arab Coast said on Monday that the bank was "solid and with a low leverage." The balance sheet for last year had already been forwarded to the UAE central bank for approval. External auditors are helping the police with their inquiries, said a bank official.

The Bank of the Arab Coast is 80 per cent owned by UAE nationals, including members of the ruling family of Ras Al Khaimah. The remainder is held by citizens of other Gulf countries, mainly from Kuwait. Its paid-up capital at the end of 1983 was $23.8m, with footings at $101m. Shareholders' funds were $26.9m.

The bank has now appointed a new general manager and chief executive, Mr Henri Derkx, a Canadian national.

Two funds launched for Korean investment

By Gordon Cramb

TWO RIVAL investment trusts specialising in South Korean equities have been launched in London in the past week, in moves which come as a response to a gradual liberalising of that country's financial markets.

Seoul Trust, launched by Prudential-Bache Securities, and Seoul International Trust, lead-managed by Baring Brothers with Vickers da Costa as co-lead, will raise $30m each. This is the level for which permission was recently granted by Korean Finance Ministry, and brings to $200m the total invested in the six foreign funds launched since 1981.

The amount compares with a market capitalisation of around $6.2bn for the Seoul Stock Exchange, where non-residents are not allowed directly to own shares.

The trusts are similarly structured, with holdings in international depositary receipt form and denominated in dollars.

In accordance with ministry requirements, 30 per cent of the funds will be invested in Korean corporate bonds for the first year and 20 per cent thereafter. This proportion represents a concession by the ministry, which had sought to channel as much as half their assets into bonds in order to absorb an excess of paper which has weighed on the market in recent months.

The trusts are targeted at international institutions seeking a further diversification of their portfolios, and have proved popular in the past with Japanese investors. Last month Nikko Securities joined Jardine Fleming in launching the Korean Growth Trust.

Support plan for the Galadaris

BY OUR GULF CORRESPONDENT

AFTER INTENSIVE negotiations over the last week, 19 international and United Arab Emirates banks have agreed to work together to support the Dubai-based trading group owned by the Galadari brothers until a full assessment can be given of the group's financial situation in 90 days' time.

The Galadari group has appointed Arthur Young to undertake a survey of its global assets and liabilities and to make recommendations to the creditor banks. It is anticipated that some of the company's assets will be sold to ease the debt burden and to ensure the future of the remaining operations. In the meantime, a number of banks have been approached about further short term funding to preserve the Galadari franchises.

In the last week, meetings have continued almost without interruption between the 19 banks. One of the stumbling blocks in the discussions has centred around collateral for some of the loans taken out by the Galadaris, particularly that which backed a $68m syndication led by Citibank, which was partially covered by a mortgage on Dubai's Intercontinental Hotel and adjoining apartments.

The banks are now edging towards an agreement to recognise all commitments given as collateral and to work together to ensure an orderly restructuring. Among the banks included in the agreement is Dubai Bank, formerly owned by the two Galadari brothers and now totally owned by the Dubai government following its takeover by the Union Bank of the Middle East.

The 19 banks have elected a steering committee of seven to represent the interests of both the unsecured and secured creditors. During the 90 day moratorium, the Galadari brothers will not repay any of the principal on their loans. But it has not yet been determined whether interest is also to be suspended during the period of the moratorium.

The Galadari group is anxious that its current franchises be preserved during the time needed to organise the financial restructuring. In this way, companies which are to be disposed of can be sold as going concerns.

However, there are already reports that a number of Dubai merchants are seeking to sign up agreements for the major trading agencies. The Galadari group currently represents Mazda, Buick and Isuzu cars, Baskin Robbins ice cream, Mitsubishi air conditioners and Canadian Pacific Airlines.

BHP bid again rejected

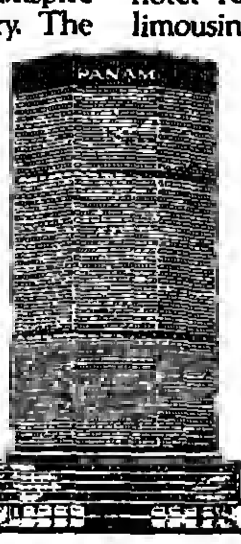
BY OUR FINANCIAL STAFF

DIRECTORS OF Woodside Petroleum, the company which discovered Australia's North-West Shelf natural gas deposits and has played the key role in their development, have re-affirmed their advice to shareholders to reject the A$1.60 a share takeover offer from Broken Hill Proprietary and Shell Australia.

According to the directors, the BHP/Shell offer, valuing the outstanding 57.4 per cent of the company at A$458m (U.S.$307m), significantly understate Woodside's worth. A statement from the company said the independent directors would be in a better position to advise shareholders after publication of the formal offer documents later this week.

Last Friday BHP and Shell bought 15m shares, or 3 per cent, of Woodside in the market to give them a total of 45.6 per cent. After publication of the offer documents, they will be free to buy further shares in the market at the offer price of A$1.60.

The two big companies have justified their bid for their much smaller partner in the A$11.2bn North-West Shelf project by the claim that Woodside is having difficulty in raising funds to pay for its share in the second, export phase of development.



DAIWA EUROPE LIMITED

JAPANESE EQUITY WARRANTS SERVICE

ISSUER—Warrant expiry date	Current Market Prices: Wrnt BID (%)	Wrnt OFFER (%)	Share Price (Yen)	Offer Calculations: Premium (%)	Gearing	Premium/Gearing Ratio
CASIO 6/3/89	41.00	42.50	1,670	8.64	2.95	2.93
C ITOH 4/5/89	12.50	14.00	359	5.31	6.85	1.36
C ITOH 20/1/87	40.00	43.00	359	39.99	2.22	18.00
FUJIKURA CABLE 28/4/89	7.00	9.00	313	35.98	8.11	4.44
HAZAMA GUMI 1/11/89	10.50	12.00	393	34.10	6.89	4.95
J & R 28/4/89	7.00	8.50	405	19.94	8.70	2.05
JUSCO 22/12/88	70.00	73.00	742	35.43	1.71	20.70
KAYABA 15/2/89	7.00	8.50	390	18.76	10.17	1.84
KUMORI PRINT	19.00	20.50	2,510	18.08	4.94	3.66
MARUZEN	9.00	10.50	510	26.26	8.66	3.03
MINEBEA 20/2/89	34.00	36.00	630	67.07	2.16	31.04
MIT CHEM 20/1/87	61.00	63.00	500	8.44	2.24	3.77
MIT CORP 7/11/88	10.00	11.50	525	6.87	8.60	0.80
MIT GAS 20/3/89	13.00	14.50	351	7.86	5.67	1.18
MITSUI E/S 15/10/88	10.00	12.00	190	−0.23	8.81	−0.03
MITSUI E/S 10/12/87	27.00	29.00	190	−1.69	4.55	−0.37
MIT METAL 10/2/89	76.00	79.00	675	27.41	1.72	15.98
MIT METAL 10/11/89	13.75	14.75	675	19.53	6.32	3.09
MITSUI PET CHEM 15/2/90	28.00	29.50	460	5.90	4.29	1.37
NIPPON MIN 17/3/89	83.00	85.00	402	39.20	1.48	26.49
NISSHO IWAI 1/2/89	5.50	7.50	255	18.57	11.40	1.63
NOMURA 31/10/88	52.50	54.00	1,100	2.38	2.66	0.90
OHBAYASHI GUMI 5/4/89	39.00	41.00	223	59.27	2.01	29.54
OMRON TATEISHI 31/3/89	17.00	12.50	1,680	54.37	5.30	10.27
ONODA CEMENT 10/4/89	48.00	51.00	399	−2.44	2.84	−0.86
ONODA CEMENT 28/2/90	18.50	21.00	399	8.27	5.62	1.11
OPTEC DAI-ICHI	23.50	25.00	722	13.19	4.57	2.89
OSAKA TRANSFORMER 29/1/90	16.50	18.00	561	9.56	6.08	1.57
RENOWN 24/1/89	5.00	6.50	629	32.60	11.63	2.80
SEINO TRANSPORT 17/3/89	5.00	9.50	952	28.50	11.42	2.49
SEIYU STORES 20/3/87	53.00	55.00	650	54.00	1.75	30.90
SONY CORP	19.50	21.00	4,310	25.01	4.89	5.33
SUMI CONSTRUCTION 24/3/89	43.00	46.00	198	47.81	2.01	23.76
SUMI HEAVY 24/2/89	10.50	12.50	245	2.33	8.31	0.27
SUMI REALTY	19.50	21.00	544	16.25	4.90	3.32
TOKYO ELECTRIC 14/3/89	9.00	11.00	1,260	24.11	7.66	3.15
TOKYO SANYO 8/6/87	141.00	144.00	719	50.93	1.11	45.82
TOKYU CORP 29/1/90	13.50	15.00	359	4.13	7.51	0.55
TORAY 5/3/87	12.00	14.00	481	7.47	7.14	1.05
TOYO ENG 14/3/89	43.00	46.00	656	53.09	1.98	26.76
YAMATO KOGYO 29/1/90	8.50	11.00	560	22.43	8.41	2.67

Reuters Monitor DABF/G/H/I - Further information from: Freddy Gloak, Simon Gamse or Beverly Kelly on 01-248 8080
Daiwa Europe Limited, 14 St Paul's Churchyard, London EC4M 8BD

APPOINTMENTS

New Waterford Glass chief

Mr J. P. Hayes will become chairman of the WATERFORD GLASS GROUP on May 21. He is chairman and managing director of Henry Ford and Son in Ireland.

★

THE BRITISH LINEN BANK has made the following appointments: Mr Ian Kirkpatrick, assistant director at the London office, to be senior assistant director. Mr Lindsay M. Forbes, to be assistant director, banking department, at the London office.

★

Mr Simon Kester has been appointed chairman of FINE FOODS INTERNATIONAL. Mr Martyn Camden-Pratt is sales director and Mr David Cantor, finance and administration director.

★

Mr Ted Markwick has been appointed chief executive of THE CARPHONE GROUP. Mr Markwick has run his own printing / consultancy company since leaving Securicor in 1984. He was the assistant managing director of the company being responsible for the commercial direction of Securicor and its subsidiaries, including Securicor Communications where he was managing director.

★

Mr Stephen Briggs has been appointed managing director of WINECRAFT. Mr Briggs activated the non-trading company with the financial backing of the Charterhouse Business Expansion Fund to acquire the goodwill and business connections of Home Winecraft (Leicester). Mr Ron Blastland is finance director of Winecraft.

★

Mr Richard D. Hipperson has been appointed chief executive of RIETER-SCRAGG from May. He was financial director and deputy chief executive. Mr M. G. Hinchcliffe and Mr D. Gibbons have been appointed technical and marketing director respectively. These appointments follow the retirement of former chief executive Mr Geoffrey E. Bucklow who remains a non-executive director.

★

Mr H. J. (Maurice) Porter has been appointed a director of FORELLE GROUP. He is managing director of Capegrove Properties and Forelle Estates. Mr Harry Kirk has resigned as a non-executive director of the Forelle Group.

★

BROWN SHIPLEY INSURANCE SERVICES has made the following appointments within Holmwoods & Back & Manson (Schools). Mr A. C. D. Ingleby-Mackenzie has been appointed chairman and Mr D. J. L. Godfray managing director. Mr R. N. Amos, chairman of Brown Shipley Insurance Services will continue as a director of Holmwoods & Back & Manson (Schools).

★

C. T. BOWRING has made the following appointments: Mr C Godwin, Mr R. Pickup, Mr D. J. Abernethy and Mr R. M. Brown have been appointed directors of C. T. Bowring & Co (Insurance). Mr J. H. Hitchcock has been appointed a director of Bowring Marine Insurance Brokers. Mr R. Pickup and Mr J. A. T. Esdaile have been appointed directors of Bowring Aviation. Mr C. Godwin has been appointed an executive director and Mr R. Gryson has been appointed a director of Bowring Non-Marine Insurance Brokers.

★

Mr Robn A. Biggam has been appointed a non-executive director of CHLORIDE GROUP. He is currently group executive director of Dunlop Holdings. Mr Tony de Boer, a non-executive director since 1976, wishes to devote more time to other business interests and accordingly will not be seeking re-election at the annual meeting in July.

★

Mr John R. Lovesey has been appointed associate director, lending, of the ROYAL TRUST COMPANY OF CANADA. He was a director of Banque Arabe et Internationale d'Investissement, formerly Gray Dawes Bank.

★

Mr Denis L. Lofts has been appointed country manager—UK for the aircraft engine business group of GENERAL ELECTRIC COMPANY OF THE USA.

★

Lt General Sir David House has been appointed a member of the Yorkshire and Humberside regional board of LLOYDS BANK. Sir David is a former gentleman usher of the Black Rod, House of Lords.

★

BURRUP MATHIESON AND COMPANY has appointed Mr John W. Waterlow as sales director, responsible for City and commercial sales; Mr Christian P. N. Pollera as sales director—City, responsible for sales to the financial and banking community; and Mr David Alder as sales director—new business, responsible for the development of new clients. The company is part of the Extel Group.

★

Mr A. W. Behrens and Mr G. W. Lawson have joined the partnership of SCOTT GOFF LAYTON & CO, stockbrokers.

★

Mr Freddie Aldous, chairman of Swan National Rentals and Leasing, has been elected president of the British Vehicle Rental and Leasing Association (BVRLA). His term of office will run for three years. He becomes the first person in the rental/leasing industry to hold jointly the positions of president of the BVRLA and The European Car and Truck Rental Association (ECATRA) at the same time. Mr Aldous was elected president of ECATRA, the first Briton to hold the post, in May 1984.

★

Mr R. F. Fitzpatrick, Mr D. A. Hurst-Brown, Mr R. C. R. Mallows and Mr D. J. S. Burnett have joined the partnership of ROWE AND PITMAN, stockbrokers.

★

STANDARD CHARTERED MERCHANT BANK has promoted Mr David Lockwood and Mr Russell Taylor to senior assistant directors of the banking division. Appointed assistant directors are Mr Michael Andrew and Mr Alan Bowers, both from the capital markets division; Mr Anthony Sperryn, special projects; and Mr Colin Wesbroom, international project finance division.

★

PIONEER CONCRETE SERVICES has appointed Mr Norman Nelan as managing director of its UK subsidiary, Pioneer Concrete (Holdings). Previously he was chief executive of the group's operations in Hong Kong.

★

FLETCHER DENNYS' SYSTEMS has appointed a new managing director. He is Mr Paul Strasburger, who has been a director since 1982, and was previously responsible for public sector sales and marketing.

★

UNITED TRANSPORT INTERNATIONAL has appointed three senior executives to the board of its UK and European holding company, the United Transport Co. They are: Mr Richard B. Dawbarn—chairman and managing director of the international ferry freight group, the company's unit load division; Mr Philip T. Harrisson—chairman of United Heavy Transport and of United Contract Hire; and Mr Michael L. Jones—formerly financial director of the international ferry freight group and currently financial director designate of the United Transport Co.

★

Mr Richard Jacobs, has joined Microprocessor Developments (MPD) as director of sales and marketing.

★

GENERAL FOODS, Banbury, has appointed Mr Doug Halliday, marketing manager, desserts division, to the UK board, creating the new position of desserts marketing director.

★

Mr Adrian Flynn has been appointed to the newly-created position of sales and technical director at DCE GROUP. He came from Salter Industrial Measurement.

★

From May 10 Mr P Ellacott, secretary, ROYAL INSURANCE, becomes deputy general manager, Royal Insurance (Int). Mr J. P. Barber, deputy secretary, Royal Insurance, takes over from Mr Ellacott.

★

Mr Don Ford, manager U.S. for British Airways for the past two years, has been appointed as the BRITISH TOURIST AUTHORITY'S general manager in North America. He takes up his new post on May 1. He succeeds Mr Frank Kelly, who has returned to London after three and a half years in New York, to become director of international activities.

★

Mr John P. Davis, has been appointed group managing director of AEROSPACE ENGINEERING. In October 1983 Mr Davis joined VFP Fluid Power, a subsidiary, combining the posts of sales and marketing director and assistant managing director. He was appointed managing director in January 1984, and will continue his association with VFP as chairman.

★

Following NEWSTECH'S acquisition by Powerline earlier this year, Mr Cliva Hemsley has been appointed managing director.

★

At BUCKMASTER AND MOORE, stockbrokers, Mr David Butler, Mr Christopher Davenport, Mr Edward Gosnell and Mr Jeremy Matthews have joined the partnership.

Rand Mines Group

All companies are Members of the Barlow Rand Group

Gold Mining Company Reports for the Quarter ended 31st March, 1985

(All Companies incorporated in the Republic of South Africa)

Office of the Secretaries of the undermentioned companies in the United Kingdom, 40 Holborn Viaduct London EC1P 1AJ

HARMONY GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: 913 442 326 IN 26 884 656 SHARES OF 50 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH, 1985

OPERATING RESULTS —ALL PRODUCTS	Quarter ended 31.3.1985	Quarter ended 31.12.1984
Ore milled (t):	2 108 000	2 017 000
Gold—produced (kg):	8 621	8 494
—yield (kg/t):	4.06	4.21
Uranium—slime treated (t):	1 413 000	1 365 000
—Oxide produced (kg):	116 000	115 700
—Yield (kg/t):	0.082	0.084
Pyrite—concentrate recovered (t):	26 076	27 754
Sulphuric acid produced (t):	17 485	24 368
Total revenue (R/t milled):	85.84	80.90
Total cost (R/t milled):	53.28	55.95
Total profit (R/t milled):	31.26	26.95
Gold price received—(R/kg):	18 960	16 021
FINANCIAL RESULTS (R000's) —ALL PRODUCTS		
Revenue—Gold, silver and osmiridium	163 456	153 436
—Uranium, pyrite and sulphuric acid	14 754	9 756
Total revenue	178 210	163 192
Cost	112 306	108 820
Working profit	65 902	54 572
Sundry revenue (net)	7 416	4 565
Profit before taxation and State's share of profit	73 318	58 937
Taxation and State's share of profit	36 821	25 156
Profit after taxation and State's share of profit	36 497	33 781
Capital expenditure	16 684	14 648
Dividend declared	38 294	—
Loan levy refund—1978	144	—

DIVIDEND

Final dividend No. 57 of 135 cents per share was declared on 7th March, 1985 payable on or about 2nd May, 1985 to shareholders registered at the close of business on 22nd March, 1985.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R7 776 000. The estimated total capital expenditure for the remainder of the current financial year is R23.7 million.

HARMONY NO. 4 SHAFT COMPLEX

Service Shaft

This shaft was sunk 47 metres during the quarter to a depth of 1 518 metres.

TAXATION

As announced by the Minister of Finance on 18th March, 1985, the surcharge on mining taxation has been increased from 20% to 25%. An additional provision of R2 727 000 to cover the increased taxation liability for the current financial year to date has been included in the results for the quarter ended 31st March 1985, of which R1 556 000 is in respect of the six months ended 31st December, 1984.

GOLD HEDGING

The company has sold gold in terms of its gold hedging operations, as detailed below:—

Quarter	Kilograms of gold sold	Average realisable value per kilogram sold
1985—2nd	4 862	R29 092
1985—3rd	4 100	R21 462
1985—4th	2 271	R23 233
1986—1st	1 614	R24 048

The proceeds from hedging transactions finalised during the quarter form part of revenue derived from the sale of gold.

For and on behalf of the board.
J. R. FORBES (Deputy Chairman) } Directors
M. A. WATSON (Managing Director) }

10th April, 1985.

DURBAN ROODEPOORT DEEP LIMITED

ISSUED CAPITAL: R2 325 008 IN SHARES OF R1.00 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH, 1985

OPERATING RESULTS	Quarter ended 31.3.1985	Quarter ended 31.12.1984
Gold		
Ore milled (t):	597 000	571 000
Gold produced (kg):	1 820.7	1 544.2
Yield (g/t):	3.05	2.23
Revenue (R/t milled):	59.47	58.17
Cost (R/t milled):	59.19	57.47
Profit/(loss) (R/t milled):	0.29	0.70
Revenue (R000's):	36 501	33 212
Cost (R000's):	35 335	32 815
Profit/(Loss) (R000's):	166	397
Gold price—(R/kg)	19 479	17 964
FINANCIAL RESULTS (R000's)		
Working profit/(Loss)—Gold	166	397
Sundry revenue (net):	1 138	1 140
State assistance (over-claimed)/claimed	310	(318)
Profit before taxation and State's share of profit	1 817	1 219
Taxation and State's share of profit	—	—
Profit after taxation and State's share of profit	1 617	1 218
Capital expenditure	1 856	3 884

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R1 400 000. The estimated total capital expenditure for the remainder of the current financial year is R16.1 million.

GOLD HEDGING

The company has sold gold in terms of its gold hedging operations, as detailed below:—

Quarter	Kilograms of gold sold	Average realisable value per kilogram sold
1985—2nd	902	R19 991
1985—3rd	946	R21 520
1985—4th	729	R23 375
1986—1st	684	R23 877

The proceeds from hedging transactions finalised during the quarter form part of revenue derived from the sale of gold.

For and on behalf of the board,
J. R. FORBES (Deputy Chairman) } Directors
H. G. MOSENTHAL (Managing Director) }

9th April, 1985.

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: 96 000 000 IN 24 000 000 SHARES OF 25 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH, 1985

OPERATING RESULTS	Quarter ended 31.3.1985	Quarter ended 31.12.1984
Gold		
Ore milled (t):	542 000	561 000
Gold produced (kg):	3 413.1	3 788.9
Yield (g/t):	2.30	6.75
Revenue (R/t milled):	114.11	121.66
Cost (R/t milled):	72.57	69.25
Profit (R/t milled):	38.54	52.41
Revenue (R000's):	61 849	68 251
Cost (R000's):	40 958	38 850
Profit (R000's):	20 891	29 491
Gold price received—(R/kg):	18 121	17 997
Uranium oxide		
Slime treated (t):	—	233 384
Oxide produced (kg):	—	38 536
Yield (kg/t):	—	0.165
FINANCIAL RESULTS (R000's)		
Working profit: Gold	20 891	29 401
Working profit: Uranium oxide	10 938	3 158
Sundry revenue (net):	3 339	2 916
Profit before taxation and State's share of profit	35 168	35 475
Taxation and State's share of profit	23 241	18 906
Profit after taxation and State's share of profit	11 927	16 569
Capital expenditure	3 246	4 798
Dividend declared	—	21 606
Loan levy refund—1978	2 218	—

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R1 914 000. The estimated total capital expenditure for the remainder of the current financial year is R3.6 million.

ORE MILLED

The lower tonnage milled during the quarter is due to waste mining in a greater number of working places as a result of negotiating dykes and faults. In addition, rock, from low grade Main Reef exploration development previously trammed as reef is now being hoisted as waste.

TAXATION

As announced by the Minister of Finance on 18th March 1985, the surcharge on mining taxation has been increased from 20% to 25%. An additional provision of R2 615 000 to cover the increased taxation liability for the current financial year to date has been included in the results for the quarter ended 31st March 1985, of which R1 277 000 is in respect of the six months ended 31st December, 1984.

GOLD HEDGING

The company has sold gold in terms of its gold hedging operations, as detailed below:—

Quarter	Kilograms of gold sold	Average realisable value per kilogram sold
1985—2nd	1 813	R19 731
1985—3rd	2 084	R21 352
1985—4th	1 101	R23 192
1986—1st	840	R24 445

The proceeds from hedging transactions finalised during the quarter form part of revenue derived from the sale of gold.

For and on behalf of the board.
J. R. FORBES (Deputy Chairman) } Directors
H. G. MOSENTHAL (Managing Director) }

10th April, 1985.

EAST RAND PROPRIETARY MINES LIMITED

ISSUED CAPITAL: R5 544 008 IN SHARES OF R1.00 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH, 1985

OPERATING RESULTS	Quarter ended 30.3.1985	Quarter ended 31.12 1900
Ore milled (t):	662 000	652 000
Gold produced (kg):	2 450.9	2 407.8
Yield (g/t):	3.70	3.69
Revenue (R/t milled)	70.44	62.16
Cost (R/t milled):	82.76	79.82
(Loss) (R/t milled):	(12.31)	(14.49)
Revenue (R000's):	46 630	42 487
Cost (R000's):	54 781	51 935
Loss (R000's)	(8 121)	(9 440)
Gold price received—(R/kg):	19 025	17 606
FINANCIAL RESULTS (R000's)		
Working (loss):	(8 151)	(9 448)
Sundry revenue—net	395	1 098
State assistance claimed	9 144	12 240
Profit before taxation and State's share of profit	1 388	4.190
Taxation and State's share of profit	—	—
Profit after taxation and State's share of profit	1 388	4 190
Capital expenditure	9 080	13 828

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R22.5 million. The estimated total capital expenditure for the remainder of the current financial year is R37.9 million.

GOLD HEDGING

The company has sold gold in terms of its gold hedging operations, as detailed below:—

Quarter	Kilograms of gold sold	Average realisable value per kilogram sold
1985—2nd	1 198	R19 190
1985—3rd	1 263	R21 239
1985—4th	995	R23 475
1986—1st	187	R25 182

The proceeds from hedging transactions finalised during the quarter form part of revenue derived from the sale of gold.

For and on behalf of the board.
J. R. FORBES (Deputy Chairman) } Directors
M. A. WATSON (Managing Director) }

0th April, 1985.

GENERAL NOTE
All financial figures are subject to audit.

Anglo American Investment Trust Limited

(Incorporated in the Republic of South Africa)

Preliminary Profit Announcement and Balance Sheet and Notice of Final Dividend on the Ordinary Shares

Subject to final audit, the income statement for the year ended March 31 1985 and the balance sheet at that date, are as follows:

Income Statement

	Company and associated company 1985 R million	1984 R million
Dividend from associated company	39.3	39.3
Income from investments	20.4	20.3
Interest earned	1.0	0.7
	60.7	60.3
Administration and other expenses	0.9	0.9
Profit before taxation	59.8	59.4
Taxation	0.4	0.3
Profit after taxation	59.4	59.1
Preference dividends	0.3	0.3
Profit attributable to ordinary shareholders before share of retained profit of associated company	59.1	58.8
Retained profit of associated company	145.7	105.3
Profit before extraordinary item	204.8	164.1
Share of associated company's extraordinary item	15.3	1.6
	220.1	165.7
Ordinary dividends:		
Interim No. 89 of 150 cents per share	15.0	15.0
Final No. 90 of 440 cents per share	44.0	44.0
	59.0	59.0
Retained profit	161.1	106.7
Transfer to non-distributable reserve	161.0	106.9
	0.1	(0.2)
Unappropriated profit, March 31 1984	4.7	4.9
Unappropriated profit, March 31 1985	4.8	4.7
Earnings per ordinary share:		
Excluding share of retained profit of associated company—cents	591	588
Including share of retained profit of associated company—cents	2 048	1 641
Dividends per ordinary share—cents	590	590

Balance Sheet

	Company and associated company 1985 R million	1984 R million
Capital	10.0	10.0
Non-distributable reserve	892.8	675.6
Distributable reserves	79.6	79.5
	982.4	765.1
Represented by:		
Investment in associated company	969.2	752.0
Listed—Market value R969.2 million (1984: R959.4 million)		
Other investments	11.6	11.6
Unlisted—Directors' valuation R119.8 million (1984: R104.0 million)		
	980.8	763.6
Current assets		
Debtors	43.1	42.8
Holding company:		
Loan at call—Anglo American Corporation of South Africa Limited	2.8	2.8
	45.9	45.6
Current liabilities		
Shareholders for dividend	44.0	44.0
Creditors	0.3	0.1
	44.3	44.1
Net current assets	1.6	1.5
	982.4	765.1
Number of ordinary shares in issue	10 000 000	10 000 000
Net asset value per share (after providing for dividend)—cents	10 855	10 598

Note:

It is expected that the forty-ninth annual report of the company in respect of the year ended March 31 1985 will be despatched to members on or about April 30 1985.

FINAL DIVIDEND

On April 15 1985 a final dividend (No. 90) of 440 cents per ordinary share (1984: 440 cents), for the year ended March 31 1985, was declared payable on June 4 1985 to shareholders registered in the books of the company at the close of business on April 26 1985. This dividend, together with the interim dividend of 150 cents per share declared on October 4 1984, makes a total of 590 cents a share for the year ended March 31 1985 (1984: 590 cents).

The ordinary share transfer registers and registers of members will be closed from April 27 to May 10 1985, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 3 1985. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on April 29 1985 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency provided that any such request is received at the offices of the company's transfer secretaries on or before April 26 1985.

The effective rate of non-resident shareholders' tax is 14.9800 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries, Consolidated Share Registrars Limited, 1st Floor, Edura, 40 Commissioner Street, Johannesburg 2001 and Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PL.

By order of the Board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: D. M. Davidson
Divisional Secretary

Head Office:
44 Main Street
Johannesburg 2001

London Office:
40 Holborn Viaduct
London EC1P 1AJ

April 16 1985

Futures Instruments, Futures Trading Futures/Risk Protection

The Banker in May will be discussing the futures markets around the world. The link-ups between exchanges and the international dealers and brokers who operate across the world's leading markets.

Banks, brokers and institutions committed to the expansion of the international futures markets who wish to advertise in the May issue of The Banker should contact:

The Marketing Director
THE BANKER
102 Clerkenwell Road, London EC1
01-251 9321 Telex: 23700

NSK

Notice to the Bondholders of

NIPPON SEIKO K.K.

U.S.$30,000,000 7¼ per cent. Convertible Bonds Due 1994
£20,000,000 6½ per cent. Convertible Bonds Due 1996
U.S.$70,000,000 3¼ per cent. Convertible Bonds Due 1999

Pursuant to the Terms and Conditions of above-mentioned Bonds, we hereby notify as follows;

1. The Board of Directors authorized on 10th April, 1985, to effect a free distribution of shares at the rate of five (5) new shares for each one hundred (100) shares held as of 3:00 p.m. on 30th April (Tuesday), 1985 (the record date).
2. Accordingly, the Conversion Price of the above-mentioned Bonds will be adjusted pursuant to Condition 6 of Terms and Conditions of the Bonds effective as from the 1st May, 1985 Tokyo Time.

	Conversion Price before adjustment	Conversion Price after adjustment
(1) U.S.$30,000,000 7¼ per cent. Convertible Bonds Due 1994	Yen 319.60	Yen 304.40
(2) £20,000,000 6½ per cent. Convertible Bonds Due 1996	Yen 530.20	Yen 505.00
(3) U.S.$70,000,000 3¼ per cent. Convertible Bonds Due 1999	Yen 636.00	Yen 605.70

Dated: 16th April, 1985

NIPPON SEIKO K.K.
3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan

Eni International Bank Limited
ECU 135,000,000
Guaranteed Floating Rate Notes due 1992
Unconditionally and irrevocably guaranteed by
Ente Nazionale Idrocarburi

In accordance with the terms and conditions of the Notes, the rate of interest for the interest period April 16, 1985 to July 16, 1985 has been fixed at 10¼% per annum. Interest payable on July 16, 1985 will be ECU259·10 per Note of ECU10,000.

Agent
Morgan Guaranty Trust Company of New York
London Branch

U.S.$100,000,000
National Westminster BankPLC
Floating Rate Capital Notes 1994

In accordance with the provisions of the Notes notice is hereby given that for the six months interest period from 16th April, 1985 to 16th October, 1985 the Notes will carry an Interest Rate of 9¹³⁄₁₆% per annum. The interest payable on the relevant interest payment date, 16th October, 1985 against Coupon No. 13 will be U.S.$47·66.

By Morgan Guaranty Trust Company of New York, London
Agent Bank

UK COMPANY NEWS

Glaxo advances 66% to £195m

Glaxo Holdings, pharmaceutical manufacturer, lifted pre-tax profits by some 66 per cent from £117.4m to £194.6m in the six months to December 31, 1984, on sales 37 pre cent higher at £758.1m, against £550.2m.

Movements in foreign exchange rates have had a material effect on the conversion into sterling of sales made in foreign currencies and it is estimated that these have increased the sterling sales figures by £50m.

Exchange rate movements have however, had a comparatively small effect on pre-tax profits and are estimated to account for £12m of the increase in profits.

Trading margin for the half year was 23 per cent.

Trading profits climbed from £106m to £173.7m in the period. Pre-tax results included increased investment income, less interest payeble, of £13m (3.5m) and unchanged associates' contributions of £7.9m. After tax of £64.1m (£41.4m) and minorities, net profist came out at £128.6m, against £74.9m.

Earnings per 50p share are stated up from 20.3p to 34.7p and the net interim dividend is raised by 2p to 6p — last year, a total of 13p was paid on record £256m pre-tax profits.

Last month, Glaxo announced thet conditional agreement had been reached for the sale of its UK wholesaling company, Vestric, to AAH Holdings for 15m. The sale was completed on March 29 and the loss oo disposal of about £10m will he treated as an extraordinary item in the full year accounts.

Group sales to external customers and Vestric from the six months amounted to £604.1m (£409.2m). Of this figure, UK sales totalled £105m—an increase of 15 per cent—and sales overseas rose by 57 per cent to £499m. Wholesaling sales by Vestric were up by 8 per cent to £173m.

Sales of Glaxo's major products showed considerable growth over the comparable period last year. Ranitidine, its anti-ulcerant, has been introduced into all major markets, baving been launched in Japan and France towards the end of 1984.

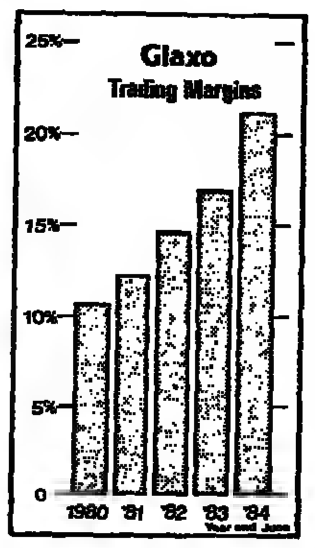
The gronp's new injeclable broad-spectrum antibiotic, ceftazidime, is now sold in 12 countries and continues to gain wide acceptance. Glaxo bopes to introduce this product into the U.S. during 1985 and into Japan in the following year.

Mr Paul Girolami bas been appointed deputy chairman, in addition to his present post as group chief executive. He will succeed Sir Austin Bide as chairman following the next AGM to he held in December. Sir Austin, having then reached the age of 70, will retire from the hoard and will become honorary president.

Mr Bernard Taylor is appointed deputy chief executive and will succeed Mr Girolami as chief executive on February 1 1986.

See Lex

Mr Paul Girolami, the chairman-elect of Glaxo



Bass takes Horizon stake up to 25.6%

By Martin Dickson

Bass, the brewing group which last month announced a joint venture agreement with Horizon Travel, has increased its stake in the holiday company from 15 per cent to 25.6 per cent. Bnt it said yesterday it had given Horizan assurances it would not be launching a takeover hid.

Bass, Britain's biggest brewer, said that it had bought 5.2m Horizon shares in the market from a number of sellers after consultation with Horizon'a board.

The two companies last month agreed to combine their overseas hotel and apartment businesses in a 50-50 shared joint venture. As part of the deal, 7.47m new Horizon shares are to be issued to Bass, giving it 15 per cent of the enlarged capital.

Bass said that it had given "assurances satisfactory to Horizon in respect of Horizon's wish to continne as an independent company."

The buying of additional shares was seen by the market partly as a means of frustrating any hostile takeover bid for Horizon from a third party, such as Grand Metropolitan, which has a ner 5 per cent holding in the travel group.

Bass said that the stake had been increased "because we believe an investment in tour operating would be profitable for us in the longer term." The company said it was unlikely to be in the market for many more shares unless it felt the price justified it.

Bass shares closed last night at 540p, np 5p on the day, while Horizon closed at 137p, np 5½p.

London and Northern in £23m U.S. acquisition

BY CHARLES BATCHELOR

London and Northern Group, the civil engineering, construction and building products company, is to pay up to $29m (£23m) for Rockville Crushed Stone, a US. quarry operator. I and N will partly fund the purchase by a one-for-four rights issue raising £14m after expenses.

It accompanied its announcement with a forecast that it made profits of not less than £18m—in line with City expectations—before tax and minority interests of £1.1m in the year ended December 1984. This compared with pre-tax profit of £15.5m in 1983.

The board proposes paying a final dividend of 3.05p per share compared with 2.8p in 1983 to make a total 1984 payment of 4.9p (4.5p).

It expects to pay an interim for the current year of 2.1p on the enlarged capital (1.85p) and a final dividend at least equal to the 1984 forecast.

L and N already operates a number of quarrios in the UK producing 2m tonnes of stone a year, but Rockville will more than double the company'a total output with its annual production of 3m tonnes. L and N is tha latest in a long line of British aggregetes producers to move into the U.S.

Redland bought a Texas quarry group in late 1982 while Tarmac bought the Floride quarry interests of Lona Star, the U.S. cement-maker at the end of last year.

Other UK aggregate groups have said they are looking to make ecquisitions in the U.S. to compensate for sluggish market conditions in the UK.

L and N is to set up a new U.S. subsidiary, London and Northern America Inc to buy Rockville, a company presently owned by the Langenfelder Trust. L and N will take a 91.3 per cent interest with the remaining shares being beld hy Mr Jim Topper, currently manager of the quarry and chief executi sgedecv taeni.flRGa—— executive designate.

Rockville operates a quarry at Travilah, Maryland, 20 miles from Washington DC and the nearest source of quarried stone to the U.S. capital. It made 1984 profits of more than $5m.

It produces stone for a wide range of construction uses including asphalt, hard core for roads and tarmac, railway ballast end erosion control.

Mr Edward Kenmir, general manager of L and N, said the company had been looking for further openings in the U.S., where it already bas oil and gas interests.

L and N will pay an initial $28m for Rockville and a further $3m in five annual instalments if planning permission is granted for another quarry at an additionol location.

Sheppards and Chase, the stockbrokers, yesterday successfully underwrote an issue of 21.94m new 25p L and N shares on the basis of one for four at 66p per share. L and N's shares fell 3½p to 79½p.

Fitch Lovell purchases meat processor for £13m

BY CHARLES BATCHELOR

Fitch Lovell, the food wholesaler and manufacturer, has hought the Trent Meat Company for £13m in a deal which once again expends its ment processing busioess.

Fitch has spent the past three years reducing its dependence on this activity.

Trent, a company founded and still largely owned by Austrian-born Mr Adolf Winter, will take Fitch into continental meats, an area where it is currently not represented.

Trent increased pre-tax profits to £1.4m in the year ended August 1984 from £1m the year before aod is expected to make about £2m profit in the current year. It bas hucked the trend which led to a falling in Fitch's own profits in the six months ended last October by combining meat trading with processing.

An "unprecedented" rise in plg prices hit Fitch last year and redneced first balf profits by £600,000 to just over £7m.

Trent is based at Brighouse, Yorkshire, and bas plants there, in Sheffield and in Ashton-under-Lyne. It had net assets at August 31, 1984 of £2.1m.

Mr Winter, who is 47, is chairman of Trent and under Fitch, he will continue to have overall executive responsibility.

Fitch, whose main meat product brands are Millers of Poole and Rohirch, has reduced its dependence on pig meat from 60 per cent io the year ended April 1982 to 12.5 per cent this year.

Trent will add £38m worth of turnover to Fitch's existing £60m worth of sales from these two brands.

Mr Geoffrey Hankings, Fitch cbairman, said: "I don't say we will go much further into meat manufacturing. This company is a useful addition and offers technical expertise and facilities we have not got."

Fitch has paid £6m in cash for Trent and provisionally allotted 1.51m shares of 20p each. It bas created £4m worth of two classes of new variable rate unsecured loan stock.

Fitch's shares rose 1p to 213p yesterdey.

LMI backs Allied offer with £7m profit forecast

BY MARTIN DICKSON

London and Midland Industrials, which is making a contested £45m takeover hid for Allied Textile Compaines, yesterday backed up its offer with an estimate that its profits in the year to March 31 were not less than £7m, up 40 per cent on the previous year.

The astimate came in LMI's offer document, which said there was a "compelling financial and commercial logic" for its hid.

LMI is an industrial holding company, while Allied is a Huddersfield-based textile and investment group.

Mr Bill Beddow, LMI chairman, said in the document that while recession bad hit both companies over the past five years "LMI had shown stronger growth in pre-tax profits and more consistent growth in earnings per share."

Shareholders were being offered the opportunity to participate in a "diversified international group with substantial interests in the UK and the U.S. which had sbown growth in pre-tax profits over the past three years of 245 per cent."

Acceptance, the document added, would mean an increase in income of 210 per cent, and of 317 per cent for those who accepted the partial cash offer. It was also 25 per cent above the capital value of Allied shares on April 1, tha day before the announcement of the affer.

As for commercial logic, the document said that "LMI has a proven record of successful integration of quality businesses."

Mr Beddow said it was bis board's policy to seek businesses which fell within the group's established criterion of high quality, well managed, specialist businesses.

He edded thet the acquisition of Allied would result in a substantial decrease in LMI's gearing, together with an increase in its earnings potential.

On the basis of last night's LMI closing price of 190p, np 1p on the day, the paper offer is worth 543p per Allied share, compared with a Allied close of 510p, np 30p.

P & O lifts stake in Ocean Transport

Peninsular and Oriental Steam Nevigation has inereased its stake in fellow shipping company Ocean Transport and Trading from the 8.03 per cent holding it revealed at the start of this month to some 10 per cent.

P & O has described its stake as a "trade investment." But there has been widespread speculetion that Sir Jeffrey Sterling, P & O's chairman, is building a stake in Ocean either to launch a full bid or as a means of gaining full control of Overseas Containers Ltd.

OCL, one of the world's largest container shipping companies, is owned jointly by P & O (47.4 per cent), Ocean (32.8 per cent) and the British & Commonwealth Shipping Co (19.8 per cent).

Rising costs leave NMW lower

FOLLOWING the acquisition of Timon Computers last November, and increased revenue costs, pre-tax profits at NMW Computers showed some decline from £1.55m to £1.28m for 1984. Turnover moved ahead from £3.62m to £4.07m.

They say that there has been a "high level of succees" in sales this year, with six firms having signed contracts so far.

The final divideod has been held at 3.5p which maintains the total at 6p. Earnings per 25p sbare of this USM stock are shown as down from 17.9p to 17p. A one-for-four serip is elso proposed.

The directors point out that significant revenue costs were incurred during the year under review in connection with substantial re-equipment of customers with new NMW Series 2000 microcomputers. The cost of setting up parallel support services for this inevitably affected profitability.

However, they say the expenditure is necessary to put NMW in an unrivalled position to take advantage of opportunities which will be brought about by the imminent "de-regulation" of the UK securities industry. NMW provides accounting services and Talisman facilities for stockbrokers.

Preparation for such opportunities took the form of an enhanced software capability through the acquisition of Timon which is already active in the finance industry, and the continued development of the Series 2000 microcomputer.

Cartwright makes staunch rejection of Henderson bid

BY MARTIN DICKSON

Henderson Group, whose products range from garage doors to security systems, yesterday launched a £0.8m paper takeover bid for R. Cartwright (Holdings), building products group, which immediately rejected the offer as "opportunistie and totally inadequate."

Mr Norman Parker, Henderson's managing director, said the reason for the bid was tha "quite remarkable fit" of the two companies' products.

Cartwright, which recorded pre-tax profits down to £1.46m in 1984 from £1.62m in 1983, makes door and window furniture, aluminium die castings, architectural and security locks.

Henderson's main interests include the manufacture of garaga doors, sliding door gear and domestic ladders, electric motors and industrial and commercial security systems.

It accomanied its bid with an estimate that pre-tax profits for the year to March 2 would be epproximately £6.6m, compared with £5.7m the previous year. The final dividend would be 3.75p a share, making a total for the year of 6p, up 20 per cent on the previous year.

Henderson, advised by Robert Fleming, is offering 5 of its ordinary shares for every nine Cartwright. On the basis of last night's Henderson closing price of 258p, down 5p on the day, that values each Cartwright share at 143p, Cartwright closed last night at 165p, np 63p on the day.

Henderson, which alreedy owns 4.8 per cen of Cartwright's shares, said thet after a series of acquisitions in recent years—including Abru, the ladder maker and distributor in February—it had established a sales and distribution strength in both the builders' merchant and DIY markets which allowed it to promote a hroader product range.

The door and window furniture manufactured by Cartwright would provide that broadening. Moreover, Cartwright's locks could be sold not only through builders' merchants and DIY outlets, but through Henderson's increasingly important security division.

Cartwright, which is advised by County Bank, was approached by Henderson on April 2 about a takeover. But Mr Bob Teare, Cartwright's chairman, said lest night the company "wished to remain independent."

Plasmec

Pre-tax profits of Plasmec rose from £341,000 to a record £387,000 in 1984 to exceed the £375,000 forecast made last October at the time of the company's entry to the USM. Turnover rose from £6.34m to £7.01m.

Stated earnings per share were 9.3p (8.2p) and a final dividend of 2p makes 3.5p net for the yeer. Prospects for 1985 look encouraging and the directors are confident of a satisfactory outcome.

Interest charges rose from £133,000 to £180,000. Tax took £39,000 (£49,000) end there was and extraordinary debit this timo of £300,000 for a deferred tax provision.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Atlantic Computers	1.5	Juoe 10	0.67*	2.25	0.67*
Fortnum & Mason	30	—	25	35	28.5
Brikat ....int.	1.5‡	July 15	—	—	0.75
Close Bros. ....int.	2.63	May 24	2.5	—	5.8¶
Glaxo ....int.	6	June 14	4	—	13
Highland Dist. ....int.	0.56	June 7	0.52	—	1.76
Johnson & Jorgensen ...	2.5‡	—	2.15	3.5	3.15
Lamont Holdings	2.4	July 1	1.2	3.1	1.7
Manson Finance ......int.	0.63	May 17	0.5	—	1
NMW Computers	3.5	June 14	3.5	6	6
Pentland Inds.	2.1	July 4	1.4*	2.6	1.74*
Plasmee	2‡	—	—	3.5	—
Kugoy Cement	3.3	July 1	3.1	6.2	5.8
William Sindall	8	—	6	10	8
Travis & Arnold	5.97	—	5.15	7.92	6.83

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For 10 months to July 31, 1984.

Direct banking, worldwide

Statement by the Chairman, The Rt. Hon. Lord Barber

Profits before taxation of Standard Chartered PLC for the year to 31 December 1984, including associated companies' profits, amounted to £290 million, which was 8% higher than in 1983. This figure was struck after specific and general provisions of £169 million against bad and doubtful debts of which £51 million relate to general provisions. We have continued to take a cautious view of asset quality in all our major trading areas and have considered it prudent to establish a high level of specific provisions, as well as nearly doubling the allocation for general provisions; the latter now stand at £200 million. This policy has also been reflected in the balance sheets published by Union Bank and Standard Bank Investment Corporation.

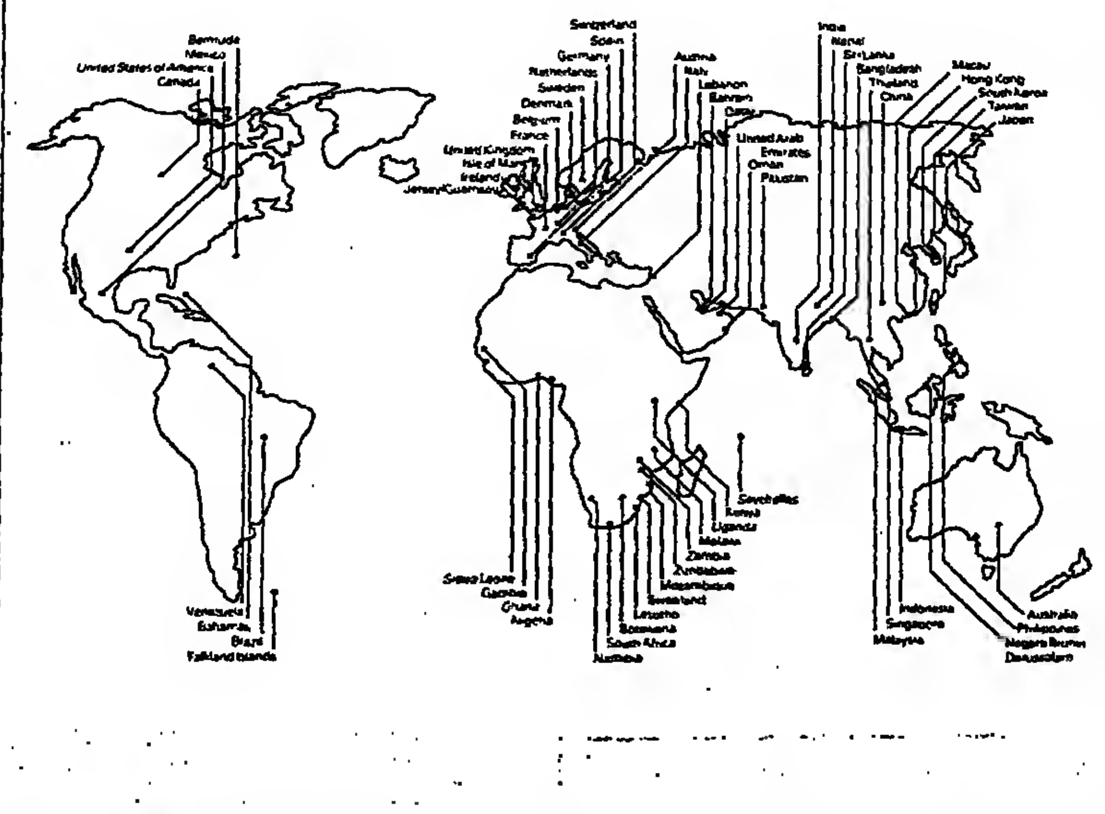
In 1984, due primarily to tax changes in the United Kingdom and South Africa, the tax charge is proportionately higher than the year before and this has resulted in a fall in profits after taxation and minority interests to £100 million compared with £114 million in 1983.

An interim dividend of 9.5 pence per share was paid in October and the recommendation of the Board is for a final dividend of 19.0 pence, payable on 17 May 1985, to shareholders registered on 25 April. The total payment for the year of 28.5 pence per share is covered 2.3 times by earnings.

Shareholders' Funds £1,570 million

The operating results for 1984 reflect excellent performances from South Africa, mainly in the commercial banking business, and from Union Bank in California. However, the South African contribution to Group results was diminished by the 23% depreciation of the rand against sterling. Hong Kong operations recovered strongly from the property related difficulties experienced in 1983. Elsewhere in the Asia Pacific region Malaysia recorded a satisfactory increase in profits, but Singapore's results were disappointing due to a combination of intensely competitive conditions, bad debt provisions and a temporary loss of revenue of approximately £5 million on the newly completed building. Our banking activities in Tropical Africa again achieved satisfactory overall results. In the United Kingdom, our treasury and eurocurrency activities advanced to higher profit levels whilst the commercial banking branches recovered well from the disappointing results of the previous year. Chartered Trust also had a satisfactory increase in profits.

Profits before taxation include non-recurring losses of £18 million relating to the write-down of certain investments in South East Asia, a realignment of the US branches' bad debt provisions to generally accepted US practice and a 50% provision on the Johnson Matthey Bankers indemnity.



2,000 offices in over 60 countries

As stated at the Annual General Meeting last May, an amount of £16.4 million has been set aside as an extraordinary item in respect of the adverse impact of the 1984 Finance Act on the Group's tax-variable lease portfolio. Following the announcement in the recent South African budget of a special levy on banking deposits, an amount of £5.6 million, representing Standard Chartered's share of the estimated Rand 24 million charge, has also been included as an extraordinary item.

The effect of exchange rate movements on pre-tax profits was broadly neutral, with the benefit of a stronger US dollar being counterbalanced by devaluation against sterling of the South African rand.

Total assets employed increased by £5.6 billion to £34.5 billion; approximately £3.1 billion of the increase relates to the effect of currency movements.

Since my last statement, there have been two significant capital raising operations. In November 1984, US$300 million of subordinated capital was raised by an issue of undated floating rate notes for deployment in the eurocurrency business of the Group. In view of the permanent nature of such capital, we have thought it appropriate to show this issue separately from the Group's dated loan capital and to classify it as permanent capital employed in the business along with the equity funds of ordinary and minority shareholders. It is attractive for us to have such permanent capital raised in US dollars, one of our principal trading currencies. Also in November US$100 million of floating rate subordinated notes due 1996 was raised in the United States to support the growth of Union Bank and served to raise its capital ratios comfortably above US regulatory requirements.

Shortly after the end of the year, the Group was invited to develop proposals for a full commercial banking licence in Australia. This is an important step in the development of our business both in Australia and in the Pacific Basin as a whole.

Capital Resources £2,526 million

The plans to reorganise the Standard Chartered Group foreshadowed in my last statement came into effect on 1 January 1985, when the name "Standard Chartered" went up over the door of almost all our bank buildings throughout Africa and Asia. The operation will be completed on 1 July 1985 with the change of names of our subsidiaries in Gambia and Sierra Leone. The new name underlines the fact that Standard Chartered is a worldwide group, giving customers immediate access to over 2,000 branches in more than 60 countries. As previously advised, Standard Bank of South Africa and Union Bank will continue to operate under these names.

We live in a period of very sharply fluctuating exchange rates. Between 31 December 1983 and 31 December 1984 the United States dollar appreciated against the pound sterling by 25% and the Hong Kong dollar by almost as much, while the South African rand had depreciated against sterling by 23%. These fluctuations affect the operations and results of an international bank such as Standard Chartered in several conflicting ways.

While fluctuating exchange rates provide the opportunity for profitable foreign exchange dealing by the Group round the world, they also profoundly affect both our level of earnings, when translated into sterling, and our capital requirement. Approximately 60% of the assets of the Group are denominated in United States dollars or in currencies closely linked to the dollar. The strength of the dollar in 1984 has meant that there has been a sizeable increase in the capital requirement on the consolidated balance sheet arising largely from the change in the exchange rate. Conversely, were the dollar to depreciate the capital requirement would be reduced and, at the same time, earnings in sterling terms would also be affected.

Total Assets £34,460 million

The large and frequent fluctuations in exchange rates which are taking place at present emphasise the importance for an international bank of maintaining a wide geographical spread of its assets and of its operations.

I am sorry to have to record the forthcoming retirement, in April, of Mr. Ian Mackenzie as Chairman of Standard Bank Investment Corporation Limited in South Africa. He has served as Chairman for eleven years and first joined the South African Board in 1961. His wise counsel will be greatly missed; he will be succeeded by Mr. Henri de Villiers, who has been Managing Director since 1974. Mr. de Villiers has had a distinguished career in industry, finance and banking in South Africa and the Group will continue to benefit from his outstanding qualities and experience.

From time to time one reads comment on the role of the non-executive director. In a Group such as Standard Chartered, with its complex and diverse functions and worldwide operations, the value of a strong Board of predominantly non-executives with practical business and other experience is considerable. I would like to express my gratitude to them for their contribution.

Finally, I would like to record the appreciation of the Board for the work of the staff at all levels of the Group throughout the world. Our thanks are due to them for the support and loyalty which they have shown during the course of the year.

Standard Chartered

Copies of the Report and Accounts and of the Chairman's Statement may be obtained from:
The Secretary, Standard Chartered PLC, 10 Clements Lane, London EC4N 7AB.

UK COMPANY NEWS

Entrad lifts stake in Tootal to 29.99%

Entrad, the Australian textile and clothing group, yesterday increased its stake in Tootal, the UK thread and textile company, to 29.99 per cent in a further move aimed at supporting its £128m takeover bid for Tootal.

Entrad now has the maximum holding permitted by the Takeover Code until the outcome of its bid is known later this week. Its final offer of 72½p for each Tootal share closes at 3 pm on Thursday. Entrad has also said Tootal shareholders may keep their company's 1.87p second interim dividend.

Entrad bought a further 3.28m shares in less than an hour of early trading yesterday to take its holding in Tootal to 53.15m shares or 29.99 per cent.

Mr Rod Hartley, Entrad managing director, said the company could have bought more shares but for the Takeover Code restriction. Shares were being offered by a wide range of Tootal shareholders, he added.

Tootal's brokers, Laing and Cruickshank, bought 2m Tootal shares for an associate company on Friday in an apparent attempt to drive the share price out of Entrad's reach, it emerged yesterday.

Tootal's shares fell 1p yesterday to 74p.

Pineapple shares fall 5p after resignation

Shares in Pineapple Dance Studios fell 5p on the day, to close at 55p last night, as the market reacted to news that Mr Norris Masters, the company's finance director and co-founder of the business with his wife, Debbie Moore, had resigned from the board to "pursue personal interests."

However, Ms Moore, Pineapple's chairman, who has been separated from her husband for some time, said that Mr Masters had not been involved in the day-to-day running of the business for the past nine months. Pineapple had a full-time financial controller and had recently appointed a new chief executive, Mr Roger Jennings, to take charge of the company's move into licensing and franchising.

She dismissed as "totally untrue" reports that Mr Masters planned to set up a rival dance business and she said he intended to retain his 15 per cent stake in Pineapple.

Laporte U.S. purchase

Laporte Industries (Holdings) has aquired Aspen Industries, a U.S. manufacturer of chemical products from the American swimming pool market. The acquisition was undertaken through Laporte's American holding company, Laporte America.

The addition of Sepen allows Laporte to offer a more complete line of products for the American pool market and gives the combined operations a nationwide capacity in this fast growing field.

RTZ U.S. expansion

RTZ Chemicals has bought Walsh Chemical Corpn of Gastonia, North Carolina, for an undisclosed sum. RTZ said the equisition of Walsh, which has a $30m turnover, would expand its U.S. speciality chemicals interests. The purchase price includes a deferred element based on profit levels over the next five years and the total is unlikely to exceed 1 per cent of Rio Tinto-Zinc's consolidated net assets.

Walsh Chemical is a manufacturer of speciality polymers, particularly for the textile finishing industry.

Clyde bid lapses

Clyde Petroleum, whose contested £11.7m bid for Petrolex was topped last week by a £13.4m agreed bid from Saxon Oil, yesterday formally admitted defeat when its offer lapsed. Clyde said its increased and final offer represented a "full price" based on its estimate of Petrolex's underlying worth.

Sears/Foster

The £115m agreed takeover bid by Sears Holdings for Foster Brothers Clothing, the men's wear chain, has been declared unconditional, with the offer being accepted by the holders of 86.84 per cent of ordinary shares (Sears already held an additional 1.3 per cent) and 92.86 per cent of preference shares.

Adams rejects Keep

The board of Adams and Gibbon, Vauxhall Opel main dealer, yesterday rejected as "unsolicited, unwelcome and inadequate" the £4.4m cash bid for the company launched on Friday by Keep Trust. Adams noted that the 240p a share offer was below the market price of Adams shares, which closed last night at 244p, up 6p on the day.

Clarks profit down

C. & J. Clark, shoemaker, reports net sales for the 12 months to January 26 1985 up 18.6 per cent at £606.14m. Profit before tax and interest at £25.46m was 7 per cent down on 1983.

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Rugby hits record £27.8m despite shortfall in UK

THE UK operations of Rugby Portland Cement were hit by wet weather and falling demand during the latter part of 1984 and their contribution to group trading profits for the year showed a downturn of some £1.5m.

However, with overseas activities more than making up the shortfall, and related companies also showing further progress, the group saw its profits before tax for the 12 months advance from £24.18m to a record £27.79m.

The final dividend is being stepped up from 3.1p to 3.3p which raises the net total by 0.4p to 6.2p per 25p share.

Looking to the current year Mr Maurice Jenkins, group chairman, tells shareholders that although the impact in the UK of the severe weather conditions during the first three monts may be recovered by year-end, the UK contribution to the first half results will be affected.

The overseas interests are expected to produce another good performance in their local currencies.

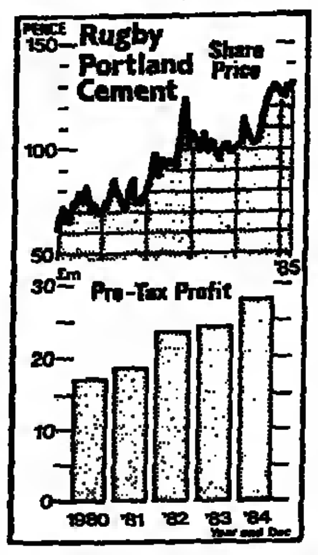
Group turnover for 1984 advanced from £167.99m to £199.98m and trading profits improved from £22.85m to £24.62m.

The UK's share of turnover and trading profits amounted to £148.68m (£138.59m) and £15.33m (£16.86m) respectively.

Overseas profits accelerated by £3.3m to £9.29m and those of the related companies, including River Cement Company for the full year, from £992,000 to £3.7m.

Mr Jenkins points out that the improvements in the results of the overseas companies and the related companies were compounded by the weakness of sterling.

In his preliminary report he says a wet November and falling demand towards the end of 1984 restrained UK profits, with the result that the second half contributions of both the UK Cement Group and Rom River Ptasclip were very similar to those in the first half of the year.



In Western Australia the demand for cement and lime continued at the improvel levels. This helped produce a 14 per cent increase in trading profits, before surpluses of £922,000 on land sales.

Overseas trading profits included a £658,000 contribution from the Addison Corporation (U.S.) for the period from its acquisition in August 1984.

Early this month the Addison Corporation acquired another branch in Jackson, Mississippi. Mr Jenkins says the new branch was acquired from the same competitor as the three branches acquired last month and further extends their area of operations.

All three related companies enjoyed higher sales tonnage, with Hercules Cement Company and Signal Mountain Cement Company, to a much greater extent, also benefiting from higher selling prices.

Group pre-tax profits were after deducting £521,000 (adding £335,000) net interest and investment income.

Tax accounted for £9.8m, compared with £7.25m.

Net profits came through at £17.98m, against a previous £16.93m, and after minorities of £585,000 (£352,000) the balance available for ordinary shareholders emerged at £17.4m, an improvement of £1.3m.

Earnings per share moved ahead from 13.8p to 14.5p.

For the first six months to June 30, 1984 group pre-tax profits increased from £10.71m to £11.66m. Improved performances were recorded by overseas operations and related companies swung some £700,000 back into profit.

● comment

Rugby Portland has come out £1m ahead of most forecasts, with trading profits from overseas almost doubled (when the related companies, all three of them in the U.S., are taken in) to 46 per cent of the group total. At home the slippage was due to the lower margins that a three-year freeze on cement prices makes inevitable, high expenditure on redundancy settlements (taken above the line) and some £1m estimated as the cost of the production and maintenance problems caused by the use of poor quality coal during the miners' strike. The group is aiming to develop into a diversified supplier to the building industry and this is the logic behind the acquisition in the U.S. of Addison, an Atlanta-based timber products distributor, for $11.9m in September. Having rightly expanded overseas to escape the doldrums of the UK cement business (added to in 1984-85 by the worst winter in 20 years), the group has become highly vulnerable to exchange rate movements. While both the U.S. (£4.35m trading profits this time, translated at $1.16) and Australia (£6.83m trading profits, translated at A$1.40) will gain in local currency terms, the level of group profit for 1985 will depend largely on exchange rates. With the first half in the UK looking very bad indeed, many analysts believe that there could be a struggle to do much better than £28m pre-tax, a prospective multiple of almost 9 on 133p. If the pound were to weaken to end-1984 levels this could be 10 per cent higher.

UK COMPANY NEWS

Output stepped up as Famous Grouse sales push ahead

DESPITE DIFFICULT market conditions Highland Distilleries continued to increase the sales of its Famous Grouse brand in the bome market during tha six month to February 28 1984 and exports ahowed a substantial advance.

Overall, group turnover pushed ahead from £49.61m to £54.46m and profits at the pre-tax level improved by £389,000 to £4.47m.

The directors point out, bowever, that the profit increase was eliminated completely by an excessive tax charge stemming primarily from the abolition of stock relief.

Nonetheless, the interim dividend is being lifted from an adjusted 0.5216p to 0.56p net after allowing for last year's one-for-six scrip.

During the half year sales of new whisky to blenders were ahead of last year and Highland's distilleries are operating at higher level of output to satisfy these orders and to meet its own requirements

Sales of mature whisky for blending were maintained at last year's levels.

The directors say that considerable investment continues both in home and export markets to develop the Famous Grouse as a quality international brand of Scotch whisky.

In the U.S. Heublein, America's second largest spirits marketer, has recently been appointed to market the brand.

Pre-tax profits for the opening six months were struck after taking account of interest charges of £55,000 (£27,000), distribution costs of £500,000 (£490,000) and administration expenses of £239,000 (£218,000). The figures included interest received of £351,000 (£193,000) and investment income of £279,000 (£232,000).

Tax accounted for £1.45m (£990,000) to leave earnings per 20p share unchanged at 2.5p

For the 1983-84 year pre-tax profits rose by 17.4 per cent to £8.27m (£7.05m) and turnover totalled £92.21m (£84.93m).

● comment

Respectable is about the kindest comment to be made about Highland's half time results. In fect a profits increase of under 6 per cent before the pre-tax line gets an extra little nudge from higher investment income is not particularly inspiring, even taking into account the depressed state of the whisky industry. Famous Grouse bas come under pressure from cheap brands in Scotland but the company claims the brand is bolding its own in terms of market share. It is what is bappening south of the border that metters—and there Famous Grouse continnes to capture sales from tha traditional brands sipped in England and Wales. On the fillings side, Highland has seen an npturn in demand — the first time it could say that for 4 or 5 years — with orders np by 14 per cent for 1985. Overall profits this year could reach the area of £9¼m to 9½m pre-tax though bigher taxes — following the abolition of stock relief — will leave e.p.s. virtually unchanged for a p/e of 13½. Highland deserves that premium rating (in fect if Robertson and Baxter was consolidated the p/a would drop to nearer 10) but there is little action to be seen in the shares at 71p.

Insurance chiefs warn on timing of profit recovery

SHAREHOLDERS in Britain's thre major composite insurance companies—Commercial Union, General Accident and Royal Insurance—were warned by their respective chairmen that the recovery in profitebility for UK insurance companies will be a long time coming. Nevertheless, they all expressed their confidence that a recovery is on the way.

Mr Sandy Marshall, chairman of CU, at yesterday's annual meeting warned that premium rate increases did not come through until the second half of last year. The recovery ensuing from these increases would not appear until the second half of this year.

He indicated that the first-quarter results, due to be reported on May 15, would show some recovery in the UK compared with last year because of the less severe winter, but the U.S. bad been hit by a number of large catastrophe losses.

Mr Marsball in referring to chnages in accountancy practice being adopted by some insurance companies called for the insurance industry and the accountancy profesion to get together to seek a standard formola.

He also referred to continued bid rumours surrounding CU and reported that there was no significant bulid np of shareboldings in the share register. CU's share price shed 2p to 212p on this news.

Mr Daniel Meinertzhagen, the outgoing chairman of Royal Insurance, in his statement accompanying the 1984 report and accounts, also stated that the improvement in the U.S. and UK insurance markets came far too late to be of much help in 1984.

Mr Alan Horsford, Royal's chief executive, points out thet Royal obtained price increases of around 30 per cent in the final quarter on its U.S. business and that this was continuing during this year. But tbe benefit would only come in the latter part of 1985 and that a further round of price increases would be required to restore the business to a satisfactory basis.

Royal confirmed that this year started badly for weather in the U.S., costing some U.S.$7m in January and February, in exceptional weather losses.

Royal is continuing its plans to strengthen and reorganise its U.S. operations. The report reveals that in October e sum of U.S.$122.5m was raised by a doilar loan in the London market and transferred to the U.S. to replenish funds expended on the acquisition of Milbank Insurance Company and Silvey Corporation. But no additional assets were provided for the U.S. operations.

Tha cost of moving Royal's U.S. headquarters from New York to Charlotte, North Carolina, is estimated at U.S.$46m to be incurred during 1985 and 1986, and this is being treated as an extraordinary item in the 1985 accounts of about U.S.$25m net of tax.

The new chairman of Royal will be Sir John Cuckney, the present deputy chairman.

Mr Gordon Simpson, chairman of GA, in bis statement, is even more pessimistic over the timing of the recovery. He warns shareholders that although he anticipated recovery and an eventual improvement in earnings, shareholders had to look beyond 1985 for anything really tangible.

Commenting on GA's major UK motor account, Mr Simpson stated that competition still remained particularly keen and that private car premium rates had to rise again in order to match the rise in claims frequency now being seen.

The market reacted fevourably to these statements by lifting Royal's share price 8p to 583p and GA's by 7p to 592p.

Microlease

Pre-tax profits of Microlease improved from £582,000 to £703,000 in the year to February 28, 1985. Turnover totalled £3.24m (£2.51m)—the USM group is engaged in electronic equipment rental.

A final dividend of 2p makes a net total of 3p (single payment of 2p). Tax took £87,000 (£135,00) and after extraordinary debits last time of £48,000 earnings came through at 18.1p (13.1p).

Atlantic Computers soars to £10.5m

Atlantic Computers more than doubled pre-tax profits from £5.2m to £10.52m in 1984, on turnover 61 per cent higher at £96.12m, against £59.83m. The year was one of strong growth for the group in nearly all its traditional markets, say the directors.

In view of the group's exceptional performance, the directors are to maintain the level of full year's dividend indicated in the September, 1984 offer for sale document on the increased share capital. Accordingly, a final dividend of 1.5p raises the total payment to 2.25p (adjusted 0.67p) net.

Earnings per 10p share showed a significant advance from an edjusted 12.99p to 24.8p.

On current trading, Mr John Foulston, the chairman, says that despite the considerable growth which has occurred in the group's business this year in all the markets it serves, be is confident that continued emphasis on both geographical expansion and planned diversification by ecquisition, will enable the group to continue the impressive growth record it bas achieved over the past faw years.

Customer demand for all products and services offered remains strong and the group has completed a "very encouraging" first quarter to start 1985.

Activities include the supply of configured computer systems and the manufacture and design of electronic equipment.

Tha chairman says 1984 was e year during whicb considerable progress was made in the gronp's planned programme of expansion and diversification with the further integration of Lion Systems Developments, the acquisition of MPL Power Systems, the opening of IBM computer systems sales operations in France and Scandinevie, and the entry of the general equipment leasing subsidiary, Atlantic Leasing, into the field of medical equipment distribution and finance.

The market share enjoyed by the groun's principal operating subsidiaries continued to increase.

At the year end, net assets per share were steted at 45.7p (52.41p).

● comment

Atlantic Computers' doubling of profits shows the benefits of being supplied by IBM rather than vice versa—as Big Biue's aggressive sales campaign in Europe rolls on, so new opportunities are created for a company that will customise both hardware and arrange lease financing to meet the customers' needs. If there bas been a slight disappointment it must be the £1.7m contribution from subsidiary Lion Systems Development (bought for about £15m in 1983) which in a buoyant sector did marginally worse than in 1983. Yet buoyant profits have belped boost net cash to some £18m and a number of companies are currently being looked at, all but one of them unlisted, as possible acquisltions that would lessen the dependence on IBM hardware, bring inhouse software expertise and develop the overseas sales network. Group policy remains "high growth" and the shares are not expensive on a bistoric multiple of 16. For this year, the market is looking for £14m pre-tax which—with virtually no tax to pay—produces a prospective multiple of 12 on 400p.

Persimmon listing

Persimmon, a York-based netional housebuilder, is to join the full stock market through an offer for sale.

Hambros Bank, is offering 4.1m shares at 10p eech to raise £4.5m for the company, which is capitalised at £13.8m. The historic earnings multiple is eight, with a 6.2 per cent yield at the offer price.

Pro-forma taxable profits rose from £2.4m to £2.6m in the year to last December on sales np from £22.4m to £25.9m. Full details will be published tomorrow, and subscription lists open next Monday.

MINING NEWS

£184m iron ore venture gets Romanian support

BY KENNETH MARSTON, MINING EDITOR

A NEW A$350m (£184m) iron ore mine is to be developed in Western Australia's Pilbara iron ore province at Marandoo in a joint venture between the Rio Tinto-Zinc group's CRA and Hancock Prospecting.

The Romanian Government is to provide over 60 per cent of the mining and ancillary equipment in return for 53m tonnes of iron ore to be delivered over a period of 15 years.

According to a spokesman for the Western Australian Government, the new mine will produce a minimum of 10 tonnes of iron ore e year over 20 years. Under the Romanian barter deal, ore shipments to that coontry will run at an annual rate of 1m tonnes in the early years and subsequently build up to at least 5m tonnes.

Development of the new mine is expected to start within six months and initial exports should be under way within two years. Details of the arrangement between CRA and Hancock Prospecting have yet to be completed but financing is expected to be on a 50-50 basis between be two partners. Each will be responsible for selling its share of prodnction.

Hancock Prospecting, controlled by the pioneer Australian iron ore prospector and magnate Lang Hancock, bas also negotiated a contract with Arab Iron and Steel for the annual supply of 2m tonnes of ore from the new mine. The company is also negotiating with several Asian countries for sales contracts.

Marandoo lies to the north-east of the CRA group's Mt Tom Price and Parabudoo iron ore-mines (owned by Hemersley Holdings) about 30 kilometres sonth-west of Wittenoom. Ore reserves were last put at around 490m tonnes grading an everaga 62.6 per cent iron.

CRA aquired its 50 per cent interest in the property from Texasgulf, tha remaining 50 per cent being owned by Hancock and his partner Peter Wright.

Marandoo is believed to have a cost advantage over some other iron ore operations, bnt earlier bopes of taking it to production have been dashed by adverse market conditions.

Hemerdon to sell stake in Devon project

The Bermuda-registered Hemerdon Mining and Smelting is to sell its half share in teh Hemerdon tungsten-tin project in Devon, et Hemerdon Ball, to its partner, the U.S. Amax natural resources group.

The consideration is 300,000 shares of Amax common stock and the cancellation of loans and interest of some $1.7m (£1.3m) to Hemerdon. The current issued capital of bta latter is 5.5m shares. They are nominelly quoted in London et 22p—27p while those of Amax are £14.

The Amax shares to be received by Hemerdon will not be registered for pnblic distribution with tbe U.S. Securities and Excbange Commission, but are expected to be registered at some time in the future.

If the registration — wbich could peve bte way for a distribntion of tbe shares to Hemerdon boiders—has not been obtained before January 1 next the number of Amax shares to be received by Hemerdon will be increased by 4,000 shares per month, beginning in January 1986 up to a maximum of 350,000 shares by December 1986.

The deal is subject to planning permission for the mining venture. Mr Carl "Bud" Schwarzwalder, Hemerdon's chairman, said yesterday that he was hopeful that a new application would be approved. A year ago the Department of Environment turned down an earlier epplication.

If the deal goes through the mine would bave a life of some 20 years

Barlow Rand gold mines show a confused picture

DISTORTIONS CAUSED by the effects of bedging transactions and the increased tax surcharge announced in last mooth's South African budget mean thet the March quarterly results from the gold mines in the Barlow Rand group present a confused picture.

The group's two marginal operations, Durban Roodepoort Deep and East Rand Proprietary Mines, do not pay tax as they are in receipt of state assistance, so no adjustments were necessary. In the case of the two better quality mines, Blyvooruitzicht and Harmony, however, tha tax charge was boosted by the impact of the higher surcbarge for tha wbole of the last nine months.

Harmony was ebie to overcome the effects of this by increasing its milling rate. This led in higher gold production and a reduction in operating costs, with the result that net profits came out 8 per cent bigher at R36.5m (£15.3m).

All the latest quarterly profits are compared in the accompanying table.

	Mar qtr R000	Dec qtr R000	Sept qtr R000
East Rand Pty	*1,388	*4,190	*8,250
Blyvooruitzicht	11,927	16,569	15,527
Durban Deep	*1,617	†1,219	*3,286
East Rand Pty	*1,388	*4,190	*8,250
Harmony	38,497	33,781	25,279

* After receipt of State assistance.
† State assistance overclaimed.

Blyvoor's profits were hit by a combination of lower throughput and gold grades, which caused gold production to fall and operating costs to rise. The company said that the fall in milling rate came about because a higher proportion of waste rock bad to be boisted in order to negotiete faults and dykes.

In addition, rock from exploration work on the low-grade Main Reef, which was previously designeted as ore, is now boisted as waste.

These probiems were pertly offset by improved profits from sales of uranium oxide nroduced before this was ended during the last quarter. With no mining costs involved, tbe income from sales of stockpiled material flowed directly through to net profits, but these still came out almost R5m lower et R11.9m.

Durben Deep did best of the the two assisted mines, with net orofits uo from R1.3m to R1.6m. The R316,000 claimed as aid mada virtually all the difference between the two ouarters.

State aid to ERPM fell by more than R3m as the mine maneged en increase in working profits, with the result thet net orofits were down from R4.2m to R1.4m.

Manson Finance

Manson Finance Trust, banking, property and financial services concern, raised pre-tax profits from £404,000 to £644,000 for the six months to December 31 1984. Tha net interim dividend is increased from 0.5p to 0.625p.

After tax of £282,000 (£160,000) and minorities, available profits climbed from £236,000 to £359,000. Stated earnings per 20p share were 1.2p (1.1p).

UK COMPANY NEWS

Expansion in the U.S. boosts Pentland to £12.9m

SHARP GROWTH in pre-tax profits, which bave increased to more than seven times the previous year's record figure, has been produced et Pentland Industries, says Mr R. S. Rubin, following substantial expansion in the U.S. Tho dividend is being raised by 50 per cent, and further growth is seen.

Pre-tax profits for 1984 amounted to £12.9m, compared with £1.68m, considerably ahead of City expectations at tho interim stage of £5m for the full year.

Mr Rubin says that the figures were the result of a substantial oxansion in U.S. operations, coupled with significant improvements in both the UK and the Far East. At the balfway stage, Reebok running shoes probably brongbt in abont two-thirds of profits, which had then risen from £610,000 to £2.5m. Reebok shoes had gained market share in the U.S., where they had benefited from an expanding fimess market, spurred by the Olympics.

Trading levels dnring the last six months of 1984 have continued into 1985, says Mr Rnbin, and are therefore substantially ahead of the corresponding period. In view of this he believes that 1985 "may well be another record year."

Earnings per sbare for the year under review are more than five times bigher, being shown at 32.06p against 5.97p, and the directors are recommending that tho final dividand should he raised by 50 per cent from an adjusted 1.4p, after allowing for a one-for-four scrip issue last year, to 2.1p, making e total of 2.6p (1.736p adjusted). A further two-for-one scrip is also proposed.

● comment

For somo time the analysts bave boen predicting that 1984 would be the year wben Pentland's pro8ts would really shoot forward. But nobody came near to predicting the speed at which its profits would race around tha track. The apprecietion of the doll/r has, of course, been of some help with more than 50 per cent of group profits arising in the U.S. But even so, at best, currency translation only accounted for a tenth of profits growth. Quite simply Pentland has experienced a tremendous surge in demand for its sports footwear and related leisure products. After a more than seven-fold jump in profits the obvious question now is whether the group can sustain anything like that rate of growth, in absolute, if not proportionate terms. The management bas few doubts, pointing to its limited exposure to the U.S. market so far and its fairly restricted range (there is plenty of other sports related footwear to go for) and finally Pentland has attained recently the rights to the Reebok name across the world, rather than just North America. Even without the help of e rising dollar, pro8ts this year could reach £20m pre-tax for eps of 50p dropping the p/a to 12½ after yesterday's 43p rise to 630p.

BOARD MEETINGS

TODAY

Interims:—J. Hepworth, Highland Electronics, Share Drug Stores, Stewart Nairn, Swindon Private Hospital.

Finals:—Bosse Massimi Pollitt, Boosey and Hawkes, Bowthorpe, Walter Duncan and Goodricke, Emess Lighting, Falcon Industries, First Charlotte Assets Trust, Juliana's, Walter Lawrence, MCD, Octopus Publishing, Owners Abroad, Austin Reed, Savoy Hotel, Scanro, Southampton Isle of Wight and South of England Royal Mail Steam Packet, Steel Brothers, Taylor Woodrow, W.W.

FUTURE DATES

Interims:—

Allied London Properties	Apr 22
Japan Assets Trust	Apr 24
Jessups	May 1
Waterbottom Energy Trust	May 7

Finals:—

Beattie (James)	Apr 26
Bramall (C. D.)	†Apr 22
Dewhirst (I. J.)	Apr 17
England (J. E.) (Wellington)	Apr 18
Flight Refuelling	Apr 26
Helical Bar	Apr 24
Hopkinsons	Apr 25
J.S.O. Computer Intnl.	Apr 19
More O'Ferrall	Apr 26
SCUSA	Apr 17
Spear and Jackson Intnl.	May 14
Sunlight Service	Apr 26
Tilbury	Apr 18
Upton (E.)	Apr 26
Viking Resources Trust	Apr 22
Whatman Reeve Angel	Apr 25

† Amended

Lamont hoists final dividend as profits surge ahead by 70%

FOLLOWING the most successful year in its history, Lamont Holdings is doubling its 1984 final dividend to 2.4p making a total for tho year of 3.1p net — an increase of 82 per cent over tho previous year's 1.7p.

Pre-tax profits jumped by 70 per cent from £2.04m to a record £3.46m and turnover reached £40.81m (£27.98m) — a rise of 46 per cent.

Sir Desmond Lorimer, the chairman, says the company has mado an excellent start to 1985 and there is no reasoo presently evident that would indicate the situation is likoly to change. The board feels the presont year will be one of growth and success.

Interest for 1984 absorbed £551,000 (£481,000). Tax was up from £203,000 to £510,000 end attributable profits came out at £2.95m, against £1.83m. Stated earnings per 10p share rose by 56 per cent from 9.99p to 15.62p.

The group's textilo division increased its turnover by 27 per cent and pre-interest profits by 75 per cent. The chairman says this was on excellent performance with all sectors achieving new highs.

The property side's profits advanced from £425,000 to £704,000, as foreshadowed in the last annual statement. All group properties are fully let and with rent reviews occurring on a regular basis it is anticipated that growth will continue.

Since the end of the year surplus property which was yielding no income at Corstorphine, Edinburgh and Ballymena, Northern Ireland, have been sold, yielding in excess of £500,000.

The engineering division had a much improved year and the life assurance side maintained its steady contribution to group results.

The computing and software division fell short of expectations due to reorganisation following acquisition and the longer lead time taken in developing and marketing new software products.

London tourists boost Fortnum & Mason to £1m

AN INCREASE in the number of visitors to London enabled Fortnum & Mason, tha Piccadilly department store, to raise its profits before tax from £522,000 to £1.06m for the year to January 26, 1985.

Sales pushed ahoad from £11.35m to £13.79m and trading profits showed an improvement of £456,000 at £768,000.

Mr Garry Weston, tho chairman, says the progress in seles and trading profits shown in the previous two years was not only maintained but showed a furthor improvement.

He points out that in tho past two years sales havo increased by more than 45 per cent over tha 1983 base.

Shareholders are told that although the decline in sterling against other currencies, particulerly tho dollar, had increased the number of visitors to London and raised the level of consumor spending, the increases recorded in many departments throughout tho store were ahead of anticipated levels even after taking into account the weakness of sterling.

Tax accounted for £430,000 (£208,000), but earnings per £1 share more than doubled to 148p (72p).

A final dividend of 30p (25p) lifts the net total from 29.5p to 35p. Fortnum & Mason's ultimate holding company is Wittington Investments.

Travis & Arnold checked by second-half slowdown

A SLOWDOWN in tho second six months left Travis & Arnold with pre-tax profits at £9.63m for the full 1984 year, a marginal improvement over tho previous year's £9.43m.

Tha directors say tho yoar started woll but ended on a quioter noto as overall construction activity slowed down under tho influence of higber interest rates, the reduction in central government and local authority spending and the imposition of VAT on certain building improvements last April.

Thoy point oot that this trend has continued in the first quartor of 1985 aggravated by poor weather.

Group turnover for 1984 pushed ahead from £117.85m to £128.37m but trading profits improved by only £224,000 to £8.55m—Travis & Arnold distributes timbor, building materials and plumbing and central baating equipment.

Pre-tax profits included investment income of £1.1m (£1.01m) and a £23,000 loss (£100,000 profit) on tho sale of propertios.

Tax rose to £4.35m (£3.73m) primarily duo to the loss of stock relief and left earnings per share pre-extraordinary items at 30.6p (33.2p).

Tho final dividend is being increased to 5.97p (5.145p) making a net total of 7.92p, against a previous 6.825p.

Below the line extraordinary items added £347,000 (took £163,000). At year-end shareholders' funds totalled £49.9m (£45.7m).

First quarter progress at Johnsen & Jorgensen

AS EXPECTED at tha intorim stage, results at Jobnsen & Jorgensen Packaging sbowed an improvomont for 1984, with pretax profits rising from £827,000 to £932,000 on turnover ahead from £9.63m to £11.26m.

The final dividend is lifted from 2.15p to 2.5p raising tho total from 3.15p to 3.5p. Earnings per share are sbown as rising from 8.95p to 7.18p on an unweighted basis.

The directors of this close USM company, which is engaged in making plastic and glass containers, say they look forward to the present upward trend of the company's main businesses continuing for the rest of the year. They point out that in tho current year, there has been a satisfactory income in deliverios to customers in both home and overseas markots and this further improvement in trading activities has been reflected in first quarter results.

At tho halfway stage, profits were ahead from £384,000 to £460,000 on turoover of £5.66m (£4.72m), but tho directors said that tho state of industrial unrest preveiling in tho UK last September could affect tho ability of tho group to maintain the same rate of incroase in turnover and profits during the second balf.

Throughout the year under review injoction moulded products, notably the securitainer, the Jaysnap cap, the Jayfila and tho Securitub medo good progress and contributed significantly to profits.

Prospects for all these products are also excellent in the U.S., tbo directors say, through tbe 50 per cent owned compeny DTC, althougb changes to new forms of packaging are slow to materialise in thoir pharmaceutical industry.

Brikat plans expansion as profits surge 106%

A GROWING demand for business micro computers and software enabled the Brikat Group to lift pre-tax profits from £247,000 to £510,000 for the six months to January 31, an increase of 106 per cent.

Mr Colin Stanley, chief executive, says this demand is now providing the directors with a springboard from which thoy can expand Pegasus Software, tho largest subsidiary, in the UK and overseas.

They will also be able to pursue a strategy of growth in the UK which will broaden the base of the business overall.

This USM group has made considerable progress in stratogic development during the six months by the acquisition and formation of new businesses and a rigorous programmo of now product development to meet the increasing demand for business micro computers and software.

This strategy is continuing and in some areas it has been necessary to operate at reduced net profit margins to promote the group's activities.

Mr Stanloy says Pegasus Software continued to make significant progress and remains the main contributor to group trading profits.

He adds that sales of new products, combined with tho seasooal increase in turnover in the second balf of the yeer, should yiold a further increase in pro8ts.

Group turnover for the half year rose by 118 per cent to £3.15m.

An interim dividond of 1.5p is being recommended—last year shareholders received a single 0.75p payment.

Tax took £244,000 (£134,000). Earnings per 5p share were 5.7p (2.8p).

Aquascutum

Aquascutum pushed its turnovor up from £25.65m to £33.66m and its pre-tax profits up from £618,000 to £1.22m in tho year to January 31 1985 and the directors say the upward trend is expocted to continue.

A finel dividend of 1.5p on both tho ordinary and A ordinary shares makes a net total of 2.25p (2.05p). An additional 1.75p is also being paid on the £1 preference shares.

Attributable profits amounted to £1.02m (£637,000) after tax of £588,000 (£115,000), minorities, and extraordinary credits of £382,000 (£134,000) from property sales.

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Tuesday April 16 1985

Pacific Bell rings up a $100m issue, Page 48

WALL STREET

Weak dollar adds to the uncertainties

RENEWED weakness in the dollar yesterday made for an uncertain start on Wall Street in a week primed with federal data on the progress of the U.S. economy *writes Terry Byland in New York.*

Against a backcloth of diverging views on the likely trend of Fed policies, bond prices edged higher after a slow start. Mixed corporate results for the first quarter left the stock market trading within a narrow margin of its current levels.

By 2pm the Dow Jones industrial average was 1.10 up at 1,266.78.

In the credit markets, analysts debated the role of the Federal Reserve in the light of last week's disclosure of sharply falling retail sales. Some analysts doubt the reliability of the retail statistics and argue that the Fed is unlikely to slacken policy without much clearer evidence of an economic slowdown.

An important pointer will come on Thursday when the Commerce Department discloses its revised GNP forecasts. Dr Henry Kaufman of Salomon Bros warned clients that the revision may show little change from the sluggish 2.1 per cent growth estimated in the "flash" forecast.

Renewed support for technology stocks after the trading statement from NCR helped the stock market. Several major takeover or tender situations provided the market's special features.

IBM, $1½ higher at $129½, attracted buyers again. Sluggish results for the first quarter from NCR brought further indication of the effects of the dollar. Investors chose to look to the future, and the stock edged up $⅛ to $27¾.

Honeywell added $1¼ to $59⅝ ahead of the trading statement, and other firm spots were Digital Equipment, $1⅜ up at $108⅝, and Data General, $⅝ better at $47¼.

In a firm pharmaceuticals sector, also a prey to the dollar's trends, Pfizer gained $⅝ to $42⅝ and Eli Lilly $½ to $76⅝, both on higher profits.

Bank stocks also continued to respond to trading statements. Chase Manhattan at $54½ eased $¼ after results. Continental Illinois was unchanged at $8⅝ after the latest earnings statement, while BankAmerica edged up $⅛ to $19¼, also after trading news.

Chemical and oil sector issues added $⅛ or so, with Allied that amount better at $42⅛ on the first-quarter figures. Monsanto added $⅜ to $43, and Union Carbide, at $38⅛, gained $⅛.

Wheeling-Pittsburg shed $1 to $8⅝ after talks with the workers' union collapsed, while United Steel, at $27⅛, added $⅛.

Nynex held unchanged at $83 on the results. McGraw-Hill at $47 gained $⅝ on higher profits, while among paper stocks, Great Northern Nekoosa dipped $⅞ to $35¼ on lower earnings.

Among takeover stocks, Uniroyal slipped $⅛ to $20¼ as Mr Carl Icahn commenced his $18 tender for 53 per cent of the equity. Wall Street still hopes for a rival offer.

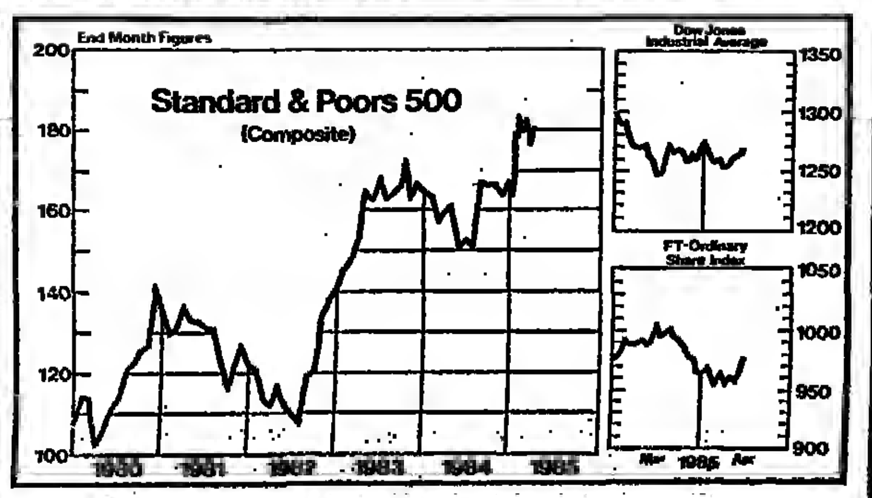
Hilton Hotels eased $⅛ to $67⅞ despite Golden Nugget's offer to negotiate over its $72 offer for the 25 per cent equity stake held by the family estate.

In media stocks, CBS bounded ahead again, adding $4⅝ to $108⅝ after hints that Mr Ted Turner had retained Wall Street advisers for his threatened bid. Cox Communications at $75⅝ were unchanged against the Cox family tender of $75 a share.

Short-term rates slipped lower by one or two basis points despite a further round of $2bn in customer repurchase arrangements from the Fed when Fed funds touched 8⅞ per cent. The rate eased later. Bank CD rates looked irregular.

In the bond market, retail interest remained thin, but the lack of any impending supply was helping prices. Gains of around ⅛ replaced initial falls, but the market was keeping its eyes on the foreign exchange dealers for any sign of change in the dollar's fortunes.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	April 15	Previous	Year ago
DJ Industrials	1,266.78*	1,265.66	1,150.13
DJ Transport	599.87*	598.21	497.33
DJ Utilities	156.54*	155.88	125.34
S&P Composite	181.01*	190.54	157.31
LONDON			
FT Ord	977.0	967.8	875.2
FT-SE 100	1,288.5	1,275.8	1,129.1
FT-A All-share	620.05	614.73	523.02
FT-A 500	681.57	674.25	567.49
FT Gold mines	536.9	533.5	672.5
FT-A Long gilt	10.45	10.51	10.08
TOKYO			
Nikkei-Dow	12,552.73	12,588.01	11,015.2
Tokyo SE	977.16	981.52	866.27
AUSTRALIA			
All Ord.	857.8	864.0	764.0
Metals & Mins.	567.6	561.1	546.5
AUSTRIA			
Credit Aktien	75.19	75.78	55.1
BELGIUM			
Belgian SE	2,254.50	2,259.94	–
CANADA			
Toronto			
Metals & Minls	2,062.8*	2,046.8	2,203.0
Composite	2,630.7*	2,628.0	2,328.5
Montreal			
Portfolio	129.43*	129.26	113.11
DENMARK			
Copenhagen SE	n/a	186.93	185.92
FRANCE			
CAC Gen	218.7	220.0	171.4
Ind Tendance	120.0	120.6	90.7
WEST GERMANY			
FAZ-Aktien	422.48	418.78	351.06
Commerzbank	1,220.3	1,211.7	1,028.4
HONG KONG			
Hang Seng	1,505.44	1,492.18	1,075.7
ITALY			
Banca Comm.	272.21	272.45	212.09
NETHERLANDS			
ANP-CBS Gen	207.04	206.2	160.8
ANP-CBS Ind	166.1	164.8	127.9
NORWAY			
Oslo SE	306.54	308.53	275.52
SINGAPORE			
Straits Times	791.17	800.23	1,007.36
SOUTH AFRICA			
Golds	1,144.9	1,126.8	1,022.4
Industrials	951.4	941.9	1,053.2
SPAIN			
Madrid SE	109.09	109.79	82.72
SWEDEN			
J & P	1,423.85	1,438.9	1,503.68
SWITZERLAND			
Swiss Bank Ind	418.3	418.7	373.1
WORLD	Apr 12	Prev	Year ago
Capital Int'l	203.2	202.6	168.5

GOLD (per ounce)

	Apr 15	Prev
London	$333.00	$329.00
Zürich	$330.75	$329.95
Paris (fixing)	$334.98	$331.71
Luxembourg	$329.15	$332.25
New York (June)	$335.60*	$331.60

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Apr 15	U.S. DOLLAR Previous	STERLING Apr 15	STERLING Previous
$	–	–	1.275	1.257
DM	3.025	3.051	3.8575	3.845
Yen	249.9	250.85	319.0	315.5
FFr	9.23	9.315	11.78	11.705
SwFr	2.5255	2.5655	3.22	3.225
Guilder	3.4255	3.4525	4.36	4.34
Lira	1,930.0	1,956.5	2,460.0	2,459.0
BFr	60.9	81.8	77.85	77.4
C$	1.3623	1.367	1.7365	1.71

INTEREST RATES

	Apr 15	Prev
Euro-currencies (3-month offered rate)		
£	12 7/16	12⅜
SwFr	5½	5 9/16
DM	6	6
FFr	10⅞	10¾
FT London Interbank fixing (offered rate)		
3-month U.S.$	8 13/16	8⅞
6-month U.S.$	9⅛	9 5/16
U.S. Fed Funds	8½*	8⅜
U.S. 3-month CDs	8.45*	8.50
U.S. 3-month T-bills	8.05*	8.03

U.S BONDS

Treasury		Apr 15* Price	Apr 15* Yield	Prev Price	Prev Yield
10⅜	1987	101 5/32	10.055	101 5/32	10.07
11¾	1992	102 19/32	11.259	101 31/32	11.33
11¼	1995	99 14/32	11.34	99 9/32	11.418
11¼	2015	99	11.364	98 29/32	11.405

Corporate	Apr 15* Price	Apr 15* Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	96⅝	11.30	95⅞	11.45
3⅞ July 1990	75	10.18	74½	10.32
8⅝ May 2000	77⅞	11.95	76⅛	12.25
Xerox				
10⅜ March 1993	94⅞	11.65	93⅝	11.90
Diamond Shamrock				
10⅜ May 1993	93¾	11.85	92.539	12.10
Federated Dept Stores				
10⅜ May 2013	88¼	12.10	87.564	12.20
Abbot Lab				
11.80 Feb 2013	97.186	12.15	96.419	12.25
Alcoa				
12¼ Dec 2012	96.91	12.65	96.173	12.75

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	70–27	70–31	70–18	70–24
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.82	91.84	91.79	91.80
Certificates of Deposit (IMM) $1m points of 100%				
June	91.17	91.24	91.14	91.15
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.77	90.83	90.76	90.77
20-year National Gilt £50,000 32nds of 100%				
June	107–18	107–25	107–03	106–31

COMMODITIES

(London)	Apr 15	Prev
Silver (spot fixing)	526.30p	531.90p
Copper (cash)	£2,203.50	£1,199.50
Coffee (May)	£2,031.00	£2,085.00
Oil (spot Arabian light)	$27.70	$27.70

LONDON

Rate hopes fuel broad advance

OPTIMISM over lower bank base rates intensified in London after another impressive performance by sterling. The strong tone carried over into gilts, which scored gains of a point before drifting away from the highest levels. The FT Ordinary index rose 9.2 to 977.0.

Renewed domestic and foreign demand enabled the Government to sell more stock. Official supplies of Treasury 9 per cent 1994 were exhausted at 87, while stock of the longer-dated Conversion 9½ per cent 2004 was sold at 92 and 92¼.

Blue-chip issue Glaxo added £¾ to £11½ on improved interim results. Attracting considerable support, GEC was 8p higher at 194p and Thorn EMI up 15p at 425p.

Chief price changes, Page 38; Details, Page 41; Share information service, Pages 42-43

HONG KONG

LATE buying in Hong Kong took prices slightly higher and pushed the Hang Seng index to 1,505.44, up 13.26. The last time it finished above 1,500 was in February 1981.

Hongkong Telephone rose HK$1 to HK$74. Among properties, Cheung Kong rose 50 cents to HK$16, and Hongkong Land added 15 cents to HK$5.45.

Jardine Matheson put on 50 cents to HK$11.50 in active trading following a report that a British institution had bought about 5 per cent of the group.

In banks, Hang Seng was 25 cents lower, while both Hongkong and Shanghai Bank and Bank of East Asia each added 10 cents to HK$9.15 and HK$23.40, respectively.

AUSTRALIA

SOLID advances of the past two weeks gave way to profit-taking in Sydney, and the All Ordinaries index dropped 6.3 to 857.6 from its record high on Friday.

Active trading in Woodside Petroleum, which is under a joint takeover bid by BHP and Shell Australia, took it 1 cent ahead to A$1.59. BHP, hurt by option trading activity, fell 12 cents to A$6.44.

Biscuit-maker Arnotts slipped 30 cents to A$3.60 after Bond Corporation said it would withdraw its bid. Brewer Castlemaine dropped 18 cents to A$4.70.

Oil and gas stocks were hit by profit-taking and gold issues were mixed to weaker after signs of a further weakening in the Australian dollar.

SINGAPORE

SELLING pressure continued unabated in Singapore where even a lowering of interest rates by the major banks did not spur interest.

Among the most active stocks, Pan-Electric lost 9 cents to S$2.63, and Supreme Corporation remained unchanged at S$1.64.

In the banking sector, Malayan Banking shed 10 cents to S$5.75, OCBC 5 cents to S$9.05 and OUB 2 cents to S$3.84.

SOUTH AFRICA

STRONG demand for golds, following the rise in the bullion price, led to firmer trading in Johannesburg.

Buffels added R2.50 to R88.50 while Dreifontein put on a similar amount to R56.

In mining financials, Anglo American rose 65 cents to R28. Among other mining shares, De Beers gained 25 cents to R10.60.

CANADA

ACTIVE trading took prices slightly higher in Toronto, where gold issues recorded strong advances early in the session.

Reed Stenhouse rose C$½ to C$21½ after news that the terms of its merger with Alexander and Alexander have been changed.

Utilities and banks led a slightly firmer Montreal, while industrials showed some weakness.

TOKYO

Inhibited by a dearth of incentives

A LACK of fresh incentives kept investors away from the market in Tokyo yesterday, pushing prices lower, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average shed 35.28 to 12,552.73 on a turnover of 363m shares, down from 542m last Friday. Declines outnumbered advances 427 to 321, with 189 issues unchanged.

Sanraku-Ocean and Yamashita-Shinnihon Steamship were popular but failed to stimulate overall market enthusiasm.

The slack performance continued into the afternoon, when no transactions were recorded in NEC, a popular international and one of the 12 issues designated for margin trading preferential treatment to inject vitality into the market. Only 305,000 shares in the stock changed hands in the morning.

Other internationals also remained weak, reflecting Japanese-U.S. trade friction and lacklustre foreign portfolio investment in Japanese issues. Sell orders by non-residents through the main securities houses came to 27m shares against buy orders for 20m.

Investors sought mainly low and medium-priced stocks for capital gains, reflecting growing concern over higher prices.

Sanraku-Ocean, actively traded, surged a maximum Y100 to Y869 on its active biotechnology research and development. Mochida Pharmaceutical gained a maximum Y500 to Y8,150.

Other biotechnology-related stocks weakened on a wide front. Green Cross slumped Y180 to Y3,420 and Yamanouchi Pharmaceutical Y90 to Y4,110.

Mitsubishi Chemical, the most active with 24.48m shares traded, increased Y15 at one stage but closed unchanged at Y500 after profit-taking. Other large-capital chemicals were also bought. Sumitomo Chemical, with the second biggest volume of 16.94m shares, added Y4 to Y226, and Showa Denko and Mitsui Taotsu Y2 and Y8 to Y241.

Kawasaki Kisen, fourth most active with 13.99m shares traded, lost Y6 to Y224. Conversely, Yamashita-Shinnihon Steamship climbed Y33 to Y164, despite the absence of new incentives.

Bonds were traded actively in an extension of last Friday's buoyancy, reflecting mounting expectations for lower U.S. interest rates. Trust and city banks, and agricultural and forestry financial institutions continued to buy briskly.

The market turned bearish later as the yen declined against the dollar. However, the yield on the barometer 7.3 per cent government bond due in December 1993 dropped to 8.820 per cent from 8.835 per cent last Friday.

EUROPE

Initial calm unsettled by profit-taking

PROFIT-TAKERS unsettled a calm opening to the week on the European bourses yesterday while a heavy menu of corporate developments provided much for investors to digest.

Boosted by firm foreign demand banks in Frankfurt staged a strong performance enabling a 8.8 surge in the Commerzbank index to 1,220.30. Dresdner led the field with a DM 8.10 surge to DM 203.50 followed by Deutsche Bank's DM 7.30 advance to DM 471, both new highs for the year.

Elsewhere, Metallgesellschaft, which reported a small decline in net profit, rose DM 2.50 to DM 264.50 and Thyssen eased 10 pfg to DM 98.70 ahead of its rights issue and dividend plans. Nixdorf's sparkling 1984 results moved it 50 pfg higher to DM 559.50, just below its high for the year.

The chemical sector was particularly active as Schering's DM 16 rise took it to the upper reaches of its recent trading range. The chemical major closed at DM 472 on speculation that its dividend might be raised. Degussa picked up DM 3.10 to DM 362.20 while Hoechst inched closer to its high for the year with a DM 1 gain to DM 214.

In numerical terms Munich Re made the most progress with a DM 20 jump to DM 1,220 while Porsche's DM 9 fall to DM 1,191 ex-dividend was the worst of the session.

Foreign demand was lacking in the bond market which firmed in active trading, with gains of up to 40 basis points in places. The Bundesbank sold DM 48.2m of paper compared with Friday's sales of DM 93.8m.

A mixed Amsterdam was caught pincer-like between the impact of the lower dollar and continued foreign demand, which was concentrated on isolated issues.

The ANP-CBS index rose 1.2 to 207.4 – just below its all-time high set in mid-March – while several sub-indices finished at record levels.

Internationals reflected the mood of the market with a Fl 2.20 drop to Fl 201.80 for Royal Dutch, a 10-cent slip for Philips at Fl 57.30 and a Fl 1.20 rise to Fl 114.20 for Akzo which announced an optimistic sales forecast. Overseas demand was detected for the chemicals and fibres group.

Unilever finished a net Fl 2.50 to Fl 349.50 after touching Fl 350 on the basis of steady foreign buying.

Financials were actively higher, with ABN up Fl 5.50 to Fl 418, AmRo Fl 1.60 stronger at Fl 76.50 and NMB Fl 2 ahead at Fl 172.50. Insurer Aegon put on Fl 1.50 to Fl 185, close to its high for the year, while Amev was unchanged at Fl 217.50.

Domestic support boosted retailer Ahold Fl 5 to Fl 228 while Van Ommeren eased 30 cents to Fl 31.10 ahead of results.

Profit-takers held the high ground in Paris after its recent record-breaking run. Friday's details of March inflation and 1984 GDP growth continued to unsettle and left the broad range of stocks lower.

Roussel-Uclaf moved against the trend with a FFr 70 rise to FFr 1,790, a 4 per cent gain to a new high for the year. Legrand also made modest progress with a FFr 15 to FFr 2,194, and Lafarge Coppée firmed FFr 5.60 to FFr 493.60.

Among the hardest hit sectors were printing, retailing and oils.

Brussels was dominated by sluggish trading and low volume. Wiremaker Bekaert posted a BFr 20 gain to BFr 5,930 on Friday's results while UCB, Belgium's second largest chemical group, gained a similar amount to BFr 5,250 on higher net earnings and a dividend increase.

Wagons Lits was bought BFr 100 higher at BFr 2,800 on foreign support.

An easier tone was evident in Madrid, Milan and Stockholm. Zurich was closed for a local holiday.

Prices at 2pm, April 15

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16⅛	AAR	.48	2.8	14	22	19⅛	18½	18¾	+¼
19⅝	9⅜	AGS			9	35	12¼	11⅞	11⅞	−⅛
18⅛	10	AMCA				7	11	11	11	−⅛
21	13½	AMF	.50	2.5	45	8916	20½	20⅛	20¼	−¼
43¼	24¼	AMR			19	747	42⅝	41⅝	42½	+1
20½	18⅝	AMR pf	2.18	11.		8	20⅝	20⅝	20⅝	−⅛
14¼	8½	APL			41	56	9⅜	9	9⅜	+½
67¼	44⅜	ASA	2	3.7		1243	55	54⅝	54¾	+⅝
27	19	AVX	.32	1.8	18	133	17⅞	16⅝	16⅞	−½
54	36¾	AbtLab	1.40	2.8	15	1508	50⅞	50¾	50⅞	
25⅞	16¾	AccoWd	.44	2.9	18	7	22¼	22¼	22¼	
22	12½	AcmeC	.40	2.8		88	14⅜	13⅝	14	−⅛
16½	8¼	AcmeE	.32b	3.8	18	8	8½	8¼	8¼	−⅛
17⅝	15	AdaEx	2.11e	13.		103	16¾	16⅝	16¾	+⅛
20	11⅞	AdmMl	.32	1.7	7	49	18⅜	17¾	18⅜	+⅝
18½	8⅝	AdvSys	.53t	5.2	17	23	10⅜	10¼	10¼	−⅛
41⅝	25⅛	AMD			13	2340	31¼	30⅝	31¼	+¾
12¾	6⅞	Advest	.12	1.4		25	9	8¾	8¾	−⅜
14⅝	8¾	Aeroflex			12	7	12¼	12	12	−⅛
42⅝	27¼	AetnLf	2.64	6.5	39	3487	40½	40⅛	40⅝	−⅛
58¾	52⅜	AetL pf	5.83e	11.		28	55⅜	55¼	55⅜	+⅛
35	15¾	Ahmns	1.20	3.5	20	223	34⅜	34	34⅜	+¼
4⅛	2½	Aileen			21	64	2¾	2⅝	2¾	
51	38⅝	AirPrd	1.20	2.5	11	718	48¾	48¼	48¾	+⅜
24⅝	13	AirbFrt	.60	3.2	19	83	19¼	18⅞	19	−¼
2	1	AlMoa s			25	8	1¼	1¼	1¼	+⅛
32	26¾	AlaP pf	A3.92	12.		9	31⅜	31	31⅜	+⅝

Continued on Page 37

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 2pm, April 15

Continued on Page 38

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 36

X Y Z

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
46¼	33¼	Xerox	3	8.5	16	1618	45⅞	45	45⅞	+⅞
51¾	45¼	Xerox pf5.45		11.		15	u52	51⅛	51⅛	−⅝
30	24	ZaleCp 1.32		4.6	8	0	27⅜	27⅛	27⅜	
24⅞	13⅜	Zapata .84		5.4	10	310	15½	15⅛	15½	+¼
60	30	Zayre .40b		.7	14	368	55½	55¼	55½	+⅛
31¼	18⅛	ZenithE			7	140	21½	21	21⅛	−⅜
21⅞	14⅜	Zero s			17	17	16½	16⅜	16⅜	−⅛
31⅞	21⅜	Zurn 1.32		4.5	11	66	29¾	29⅜	26½	+½

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E-price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Apr. 15	Price Sch%	+ or —
Creditanstalt	280	—12
Goesse	492	+1
Interunfall	718	—10
Laendorbank	973	+2
Perlmooser	385	+2
Steyr-Daimler	169	.....
Voitscher Mag	386	—2

BELGIUM/LUXEMBOURG

Apr. 15	Price Frs.	+ or —
B.B.L.	1,210	—5
Banq. Int. A. Lux	6,150	.....
Bekaert B	8,950	+20
Ciment CBR	2,505	—20
Cockerill	250	—8
Delhaize	7,750	+50
EBES	3,125	+15
Electrobel	8,590	—50
Fabrique Nat	1,870	—30
GB Inno BM	3,185	+20
GBL (Brux)	1,970	+90
Gevaert	3,220	—40
Hoboken	6,670	.....
Intercom	2,970	—20
Kredietbank	8,650	—60
Pan Hldgs	11,000	.....
Petrofina	6,880	—30
Royale Belge	12,000	—900
Soc. Gen. Banq	3,535	.....
Soc. Gen. Belge	1,940	—10
Sofina	7,400	.....
Solvay	4,190	—40
Stanwick Intl.	1,600	—10
Tractionel	4,000	—68
UCB	6,950	+90
Wagon Lits	28,00	+100

DENMARK

Apr. 15	Price Kr. %	+ or —
Andelsbanken	295	—4
Baltic Skand	545	+5
CopHandelsbank	517	—6
D. Sukkerfab	575	+8
Danske Bank	303	—6
De Danske Luft	1,815	—10
East Asiatic	825	+20
Forenede Brygg.	1,000	+6
Forenede Damp.	157	—7
GNT Hldg	445	.....
I.S.S.B.	425	—10
Jyske Bank	655	.....
Novo Ind	1,490	—20
Privatbanken	287	—8
Provinsbanken	368	+2
Smidth (F)	940	—2
Sophus Berend	1,065	+10
Superfos	465	—15

FRANCE

Apr. 16	Price Frs.	+ or —
Emprunt 4½% 1975	1750.1	—2.9
Emprunt 7% 1975	8442	—26
Accor	276.6	—6.6
Air Liquide	653	—7
BIC	548	—12
Bongrain	1,930	+10
Bouygues	660	—15
BSN Gervais	9,925	—14
CIT-Alcatel	1,580	+10
Carrefour	2,120	—10
Club Mediter'n	1,170	+1
Cie Bancaire	646	—7
Cofimeg	226	+2
Damart	9,260	—70
Darty	1,541	—5
Dumez S.A.	650	+5
Eaux (Cie Gen)	643	—2
Elf-Aquitaine	246.2	.....
Essilor	3,050	.....
Gen. Occidentale	692	—9
Imetal	112.3	—0.6
Lafarge Coppee	495.6	+6.6
L'Oreal	8,370	—20
Legrand	2,194	+13
Maisons Phenix	253	—5
Matra S.A.	1,830	—2
Michelin B	958	—12
Midi (Cie)	2,230	—12
Moet-Hennessy	1,880	—30
Moulinex	112.5	+1
Nord Est.	91.9	—2.4
Pernod Ricard	724	—6
Perrier	502	—4
Petroles Fra.	261.5	—2.3
Peugeot S.A.	337.8	+4.8
Printempt Aus	240	—0.6
Radiotech	301	+1
Redoute	1,405	—23
Roussel Uclaf	1,790	+70
Sefimeg	355	—9
Skis Rossignol	1,900	—31
Telemech Elect.	2,595	—26
Thomson CSF	589	+6
Valeo	235.1	+3.5

GERMANY

Apr. 15	Price Dm.	+ or —
AEG-Telef	110.1	—1.9
Allianz Vers	1115xr	.....
BASF	206	—0.3
Bayer	215.2	+0.2
Bayer-Hypo	355	+6
Bayer-Verein	342	+2.5
BHF-Bank	284	+4
BMW	375	+0.5
Brown Boveri	315.2	+2
Commerzbank	172	+2
Cont'l. Gummi	132.2	—0.3
Daimler-Benz	663.5	.....
Degussa	362.8	+3.1
D'sche Babcock	167	+9.7
Deutsche Bank	471	+7.3
Dresdner Bank	205.5xr	+2.1
GHH	156	—0.6
Hochtief	475	+5
Hoechst	214	—1
Hoesch Werke	110	—0.4
Holzmann (P)	419	—5
Horten	171	+1
Hussel	294	+1.5
Karstadt	216	+0.5
Kaufhof	222	+1
KHD	287xr	.....
Kloeckner	70.6	—0.1
Linde	418	+0.3
Lufthansa	198	.....
MAN	154	—0.6
Mannesmann	161.2	—1.5
Mercedes Hld	581	—8.5
Metallgesel	264.5	+2.5
Muench Rueck	1220	+20
Nixdorf	559.5	+0.5
Porsche	1191xd	—9
Preussag	276	—2
Rhein West Elect	167.3	+0.8
Rosenthal	241	+0.5
Schering	472	+16
Siemens	549.5xd	+1.9
Thyssen	96.7	—1.1
Varta	161	—8.2
Veba	186.5	+1.2
V.E.W.	127.6	+0.5
Verein-West	320	+3
Volkswagen	206.2	—8.1

ITALY

Apr. 15	Price Lira	+ or —
Banca Com'le	17,000	—25
Bastogi-IRBS	198.2	—5.5
B.I-Invest	5,470	.....
Centrale	5,210	—110
Credito Varesino	5,897	—53
Fiat	2,935	—24
Finsider	67	+1
Generali Assicur.	41,610	+10
Italcementi	82,900	+830
La Rinascente	658	—6
Montedison	1,320	—3
Olivetti	6,215	.....
Pirelli Co	4,126	—2
Pirelli Spa	2,800	—20
Snia BPD	2,776	—14
Toro Assic.	13,210	—90
do Pref.	10,100	+20

NETHERLANDS

Apr. 13	Price Fls	+ or —
ACF Holding	200	+1
AEGON	185	—1.6
Ahold	226	+5
AKZO	114.2	+1.2
ABN	418	+5.3
AMEV	217.5	.....
AMRO	76.3	+1.8
Bredero Cert	160	+5
Bos Kalis Westm.	17.2	—0.4
Buehrmann-Tet.	92	+1.5
Calland Hldgs.	33.6	—0.1
Dordtsche Pet'm	181.3	—1.6
Elsevier NDU	116.3	+0.8
Fokker	105.7	+2.7
Gist Brocades	186.2	+1.2
Heineken	156.8	—0.7
Hoogovens	61	—0.6
Int Mueller	61.9	+0.7
KLM	61	.....
Naarden	47.8	+0.2
Nat Ned Cert	70.8	+0.8
Ned M'd Bank	172.3	+2
Nedlloyd	172.8	—0.7
Oce Grinten	312.3	+0.8
Ommeren (Van)	31.1	—0.3
Pakhoed	68.5	—0.6
Philips	57.3	—0.1
Robeco	72.2	+0.2
Rodamco	138	—0.8
Rolinco	67.3	+0.2
Rorento	44.3	+0.1
Royal Dutch	201.8	—2.2
Unilever	349.3	+2.5
VMF Stork	154	+5
VNU	212	+8
West Utr Bank	104.4	—0.1

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Apr. 15	Price Kroner	+ or —
Bergens Bank	141.6	.....
Borregaard	557.8	—9.8
Christiania Bank	142	+0.8
DenNorske Cred	147.5	—2
Elkem	168	—0.3
Kvaerner	162	—4
Norsk Data	397	+6
Norsk Hydro	107.0	.....
Storebrand	258	+5

SPAIN

Apr. 15	Price Pts %	+ or —
Bco Bilbao	558	—1
Bco Central	515	—1
Bco Exterior	300	.....
Bco Hispano	181	+2
Bco Popular	565	.....
Bco Santander	348	.....
Dragados	164	—5.2
Hidrola	80.6	—1
Iberduero	92	—0.6
Petroleos	147	+0.8
Telefonica	125	—1.6

SWEDEN

Apr. 15	Price Kronor	+ or —
AGA	320	.....
Alfa-Laval	197	—9
ASEA (Free)	515	—5
Astra (Free)	410	—5
Atlas Copco	117	.....
Cardo (Free)	257	—2
Cellulosa	120	—8
Electrolux B	512	—9
Ericsson	285	—6
Esselte	550	.....
Mo och Domsjo	267	.....
Pharmacia	904	—1
Saab Scania Free	446	.....
Sandvik	400	.....
Skandia	635	—1
Skan Enskilda	51	+2.5
SKF	215	—8
St Kopparbergs	155	.....
Sven Handlesbn.	185	.....
Swedish Match	212	—0.9
Volvo B (Free)	977	+1

SWITZERLAND

Apr. 13	Price Frs.	+ or —
Alusuisse	833	.....
Bank Leu	3,650	.....
Brown Boveri	1,630	.....
Ciba Geigy	8,845	.....
do. (Part Certs)	2,300	.....
Credit Suisse	9,430	.....
Elektrowatt	2,880	.....
Fischer (Geo.)	712	.....
Hoff-Roche PtCts	86,750	—250
Hoff-Roche 1/10	8,728	+50
Jacobs Suchard	6,360	.....
Jelmoli	1,950	.....
Landis & Gyr	1,675	.....
Nestle	6,570	.....
Oer-Buehrle	1,466	.....
Pirelli	293	.....
Sandoz (Br)	7,825	.....
Sandoz (PtCts)	1,325	.....
Schindler (PtCts)	780	.....
Sika	1,140	.....
Surveillance	4,640	+50
Swissair	1,075	.....
Swiss Bank	356	.....
Swiss Reinsce	10,350	.....
Swiss Volksbk	1,420	.....
Union Bank	3,710	.....
Winterthur	3,860	.....
Zurich Ins.	21,900	.....

AUSTRALIA

Apr. 15	Price Aust $	+ or —
ANZ Group	4.60	—0.04
Alliance Oil Dev	1.06	—0.01
Ampol Pet	1.87	.....
Ashton	0.95	—0.02
Aust. Cons. Ind	8.12	+0.01
Aust. Guarantee	2.4	—0.1
Aust. Nat. Inds	2.85	—0.03
Aust. Paper	2.6	—0.02
Bell Group	6.84	.....
Bell Res.	7.1	.....
Bond Corp Hldgs	1.48	.....
Boral	3.82	.....
Bougainville	8.47	—0.01
Brambles Inds	5.82	—0.06
Bridge Oil	2.5	—0.16
B.H. Prop	6.44	—0.12
CRA	6.6	—0.06
CSR	3.06	—0.06
CastlemaineTys	4.7	—0.10
Coles (G.J.)	3.8	+0.02
Comalco "A"	2.8	—0.05
Consolidated Pet	0.45	—0.02
Costain Aust.	1.65	.....
Dunlop Olympic	2.22	—0.05
Elders IXL	6.14	—0.11
Energ Res	1.45	.....

AUSTRALIA (continued)

Apr. 15	Price Aust. $	+ or —
Gen. Prop. Trust	2.17	—0.01
Hardie (James)	3.1	—0.02
Hartogen Energy	9.60	—0.04
Herald W'y Times	4.35	—0.05
ICI Aust.	1.96	—0.05
Jimberlana F.P.	0.32	—0.01
Kia Ora Gold	0.17	—0.01
Lend Lease	6.30	+0.04
MIM	3.30	—0.05
Mayne Nickless	3.20	—0.05
Myer Emporium	1.82	—0.02
Nat. Aust. Bank	3.48	+0.01
News	7.2xc	.....
Nicholas Kiwi	1.96	.....
North Bkn Hill	9.68	—0.02
Oakbridge	0.21	—0.01
Pancont'l	1.75	—0.01
Pioneer Conc	1.80	—0.05
Poseidon	4.60	+0.2
Queensland Coal	1.85	—0.05
Reckitt & Coln	6.68	.....
Repco	1.20	—0.08
Santos	6.30	—0.1
Smith (Howard)	4.6	.....
Thos. Nationwide	1.90	—0.02
Tooth	6.6	.....
Vamgas	4.30	—0.1
Western Mining	4.20	—0.05
Westpac Bank	3.48	+0.02
Woodside Petrol	1.59	+0.01
Woolworths	3.12	.....
Wormald Intl	3.56	.....

HONG KONG

Apr. 15	Price H.K.$	+ or —
Bank East Asia	23.4	+0.1
Cheung Kong	16.0	+0.6
China Light	16.2	—0.1
Evergo	1.16	.....
Hang Seng Bank	44.5	—0.25
HK Electric	7.8	+0.05
HK Kowloon Wh.	6.2	+0.05

JAPAN

SINGAPORE

SOUTH AFRICA

OVER-THE-COUNTER

Nasdaq national market, 3pm prices

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES		
Ex 12½% 1990	£104	+⅛
Tr 13¼% 1993	£118¾	+½
Tr 13½% 2000/03	123⅛	+¾
Aspinall	162	+11
Assoc Dairies	164	+6
Bellway	124	+11
Brook St	120	+7
Cartwright	165xd	+63
Cattle's	33	+4
EIS	210	+18
Extel	360	+45
Foseco Minsep	240	+6
GEC	194	+8
Glaxo	£11⅝	+¼
Lamont Hldgs	157	+14
Laporte Inds	428	+18
Midland	338	+10
Pentland Inds	630	+43
Rugby P Cem	133	+4
Stock Conv	480	+10
Stot & Pitt	160	+15
Thorn EMI	425	+15
UDO Hldgs	203xd	+18
Windsor Secs	63	+5
FALLS		
Applied Holog	215	—10
Barclays (Nil-pd)	173pm	—10
Microlease	350	—50
Travis & Arnold	232	—5

* Highs and lows in the FT Share Information Service and associated statistics are changed today from 1984-85 to current year figures. Pages 42, 43.

Continued on Page 40

CANADA

TORONTO

Prices at 1.30pm April 15

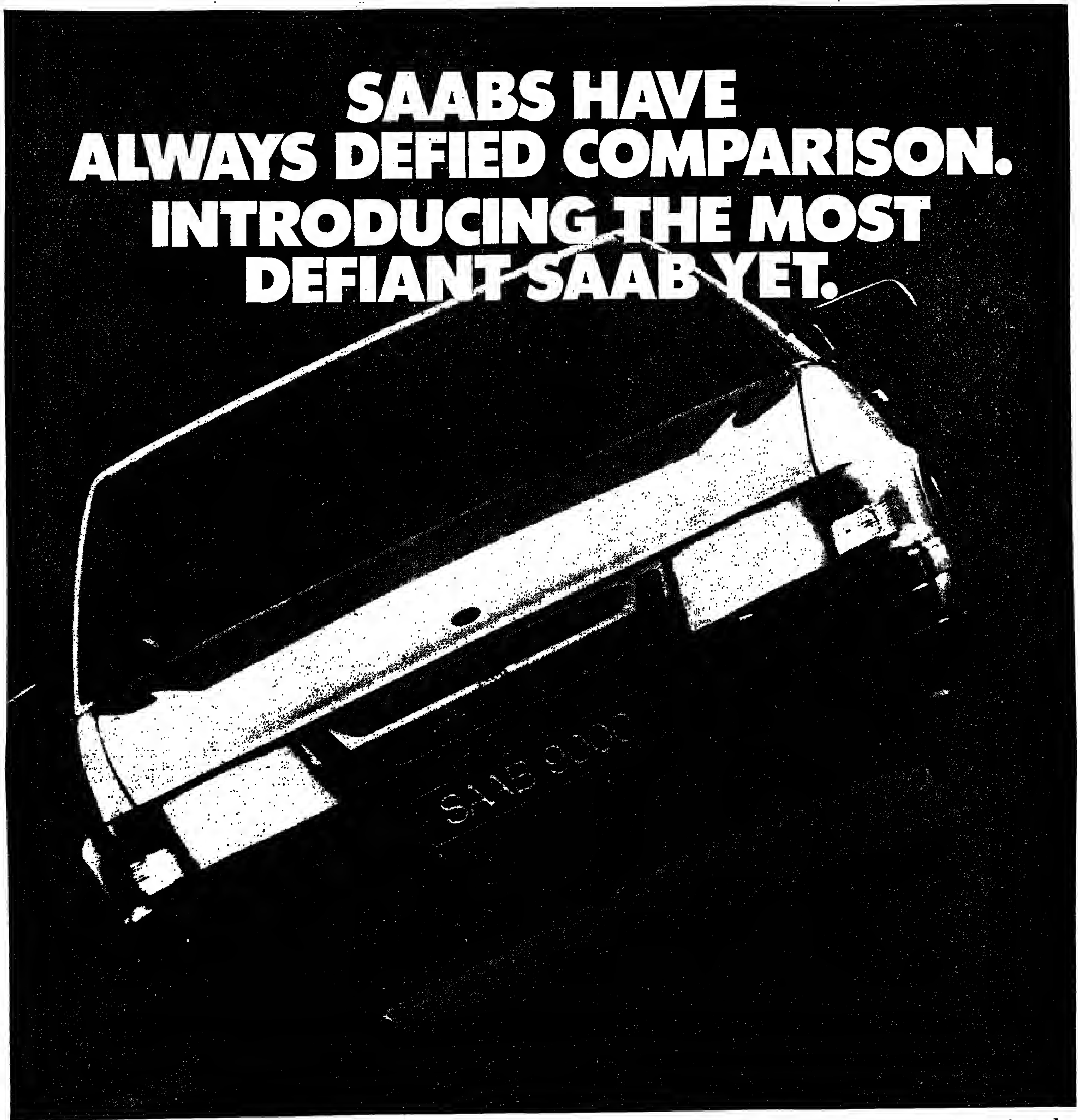
Sales	Stock	High	Low	Close	Chng
8911	Coseka R	345	330	340	+10
200	Canron A	512⅝	12⅝	12⅝	—⅛
1700	Crownx	816	17⅛	17⅛	—⅛
51100	Czar Res	190	185	185	+5
28586	Daon Dev	470	460	470	—5
500	Daon A	425	420	420	—15
28767	Lac Mnrls	$35¼			
100	LOnt Cem	812			
18560	Lacana	513¾			
1780	LL Lac	$40			
24030	Loblaw Co	$16			
525	MICC	230			

MONTREAL

Closing prices April 12

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 37



Saabs have never invited comparison with other cars. They've never been like other cars.

They've never looked like other cars. They don't drive like other cars. They don't perform like other cars. When aerodynamics meant nothing to other carmakers, it meant everything to Saab.

When other carmakers pushed their cars, Saab pulled. When other carmakers gave up power for fuel efficiency, Saab found a way to give up neither.

From the beginning, people bought Saabs because Saabs defied the limitations other carmakers designed into their products.


Saabs range from the economical Saab 90 and the versatile Saab 900 series to the luxurious new Saab 9000 Turbo 16.

And now there is a Saab that is more unlike other cars than any other Saab before it.

The new Saab 9000 Turbo 16.

The least compromised car ever built.

Carmakers build cars with built-in compromises. They build exciting cars that aren't practical. Practical cars that are dull. Fast cars that lack efficiency. Good-handling cars that are uncomfortable.

The new Saab 9000 Turbo 16 defies these compromises.

It is dedicated to the simple proposition that it is possible for one car to do everything well.

It is exceptionally fast, with a 16-valve, intercooled, turbocharged engine. It is practical as well as comfortable. Not only is it the largest Saab ever made,


The interior of the Saab 9000 Turbo 16 is by far the largest in its class.

but it has more interior room than the BMW 5 series, Audi 200 and Volvo 760.

It rides like a luxury car, yet handles like a sports car. And like all Saabs before it, it is unquestionably safe.

How to defy compromise.

There is only one way to fully understand what Saabs has created in the new 9000 Turbo 16.

You have to take some time and study it. That's the only way anyone has ever understood what Saabs are.

Write us soon and we'll send what you need to understand the Saab 9000 Turbo 16.

Then, compare it against whatever other car you're thinking about buying.

If you've studied properly, you should find there's no comparison.

One reason Saabs aren't like other cars is that the manufacturer isn't like other car manufacturers.

The Saab-Scania group also produces aircraft, satellites, buses, trucks, industrial equipment and electronics.

SAAB 9000 TURBO 16

For additional information, write to Saab-Scania AB, Saab Car Division, Advertising Department, S-611 81 Nyköping, Sweden.

WORLD STOCK MARKETS

OVER-THE-COUNTER

Continued from Page 38

Stock	Sales (Hnds)	High	Low	Last	Chng
UFSBk	8	10	9¾	10	+¾
UpRght	2	5	5	5	−½
UPenP 2	x18	19¼	18¾	18¾	−½
UrgeCr	1089	5⅝	5⅛	5¼	+¼
Uscale .14e	11	5⅛	5	5⅛	+⅛
UtahBc 1.08	2	25	24⅞	24⅞	−⅛

V V

Stock	Sales (Hnds)	High	Low	Last	Chng
VLI	135	8	7¾	8	

Stock	Sales (Hnds)	High	Low	Last	Chng
ZenLb s	79	26¾	26	26¼	−¼
Zentec	13	3¼	2¾	3¼	
Ziegler .48a	55	11¾	11¼	11¼	
ZionUt 1.24	2	37¾	37¾	37¾	+¾
Ziyad	10	5¼	5¼	5¼	+¼
Zondvn .34	78	9¾	9½	9⅝	−⅛
Zymos	146	2⅞	2¾	2¾	−3-16
Zytrex	479	13-16	11-16	¾	

BASE LENDING RATES

A.B.N. Bank	13¼%
Allied Irish Bank	12¾%
Henry Ansbacher	13 %
Amro Bank	13 %
Associates Cap. Corp.	14 %
Banco de Bilbao	12¾%
Bank Hapoalim	13 %
BCCI	13¼%
Bank of Ireland	13½%
Bank of Cyprus	13 %
Bank of India	13¼%
Bank of Scotland	13 %
Banque Belge Ltd.	13 %
Barclays Bank	12¾%
Beneficial Trust Ltd.	14 %
Brit. Bank of Mid. East	13¼%
■ Brown Shipley	13 %
CL Bank Nederland	12¾%
Canada Perm'nt Trust	13¼%
Cayzer Ltd.	13¼%
Cedar Holdings	14 %
■ Charterhouse Japhet	13 %
Choulartons**	
Citibank NA	13 %
Citibank Savings	¶12¾%
Clydesdale Bank	13 %
C. E. Coates & Co. Ltd.	13¼%
Comm. Bk. N. East	13 %
Consolidated Credits	13¼%
Co-operative Bank	*13 %
The Cyprus Popular Bk.	13 %
Dunbar & Co. Ltd.	13¼%
Duncan Lawrie	12¾%
E. T. Trust	13¾%
Exeter Trust Ltd.	13¼%
First Nat. Fin. Corp.	14¼%
First Nat. Secs. Ltd.	14 %
■ Robert Fleming & Co.	13 %
Robert Fraser & Ptns.	14 %
Griodlays Bank	‡13¼%
■ Guinness Mahon	13¼%
■ Hambros Bank	13¼%
Heritable & Gen. Trust	13 %
■ Hill Samuel	§13 %
C. Hoare & Co.	13 %
Hongkong & Shanghai	13¼%
Johnson Matthey Bkrs.	13½%
Knowsley & Co. Ltd.	13¼%
Lloyds Bank	13 %
Edward Manson & Co.	14 %
Meghraj & Sons Ltd.	13¼%
Midland Bank	12¾%
■ Morgan Grenfell	13¼%
Mount-Credit Corp. Ltd.	12¾%
National Bk. of Kuwait	13 %
National Girobank	13 %
National Westminster	13 %
Northern Bank Ltd.	13 %
Norwich Gen. Trust	12¾%
People's Trust	14 %
Provincial Trust Ltd.	14 %
R. Raphael & Sons	13¼%
P. S. Refson	13¾%
Roxburghe Guarantee	13½%
Royal Bank of Scotland	13 %
Royal Trust Co. Canada	12¾%
■ J. Henry Schroder Wagg	13¼%
Standard Chartered	‖12¾%
TCB	13 %
Trustee Savings Bank	13 %
United Bank of Kuwait	13¼%
United Mizrahi Bank	13¾%
Westpac Banking Corp.	13 %
Whiteaway Laidlaw	13¾%
Williams & Glyn's	13 %
Wintrust Secs. Ltd.	13¼%
Yorskhire Bank	13 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 10¼%, 1 month 10.75%. Fixed rate 12 months £2,500 18.75%, £10,000 12 months 11.00%.
‡ Call deposits £1,000 and over 10¼%.
‖ 21-day deposits over £1,000 18¾%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 10%.

Indices

NEW YORK-DOW JONES

	April 15	April 12	April 11	April 10	April 9	April 8	1984-85 High	1984-85 Low	Since Compilation High	Since Compilation Low
Industrials	1,268.78*	1,265.88	1,263.89	1,259.94	1,253.86	1,252.98	1298.36 (1/3/85)	1088.57 (24/7)	1298.36 (1/3/85)	41.22 (2/7/32)
Transport	598.78*	598.21	598.85	593.11	588.88	587.13	635.38 (1/3/85)	444.03 (25/7)	635.30 (1/3/85)	12.32 (8/7/32)
Utilities	156.54*	155.88	155.72	135.90	154.34	154.39	156.88 (12/4/85)	122.25 (15/8)	163.72 (20/4/88)	10.5 (28/4/42)
Trading vol			108m	108m	83m	79m	–	–	–	–

	Mar 29	Mar 22	Mar 15	Year Ago (Approx)
Ind Div Yield %	4.82	4.82	4.88	4.74

STANDARD AND POORS

	April 15	April 12	April 11	April 10	April 9	April 9	1984-85 High	1984-85 Low	Since Compilation High	Since Compilation Low
Industrials	201.86	201.10	200.72	199.94	198.66	198.42	206.15 (1/3/85)	167.74 (24/7)	206.15 (1/3/85)	3.62 (30/6/32)
Composite	181.02	180.54	180.15	179.42	178.21	178.04	183.35 (13/2/85)	147.82 (24/7)	183.35 (13/2/85)	4.40 (1/6/32)

	March 27	March 20	March 13	Year Ago (Approx)
Ind div yield %	3.88	3.88	3.90	3.87
Ind. P/E Ratio	11.14	11.11	11.06	12.25
Long Gov Bond Yield	11.77	11.84	11.83	12.37

N.Y.S.E. ALL COMMON

April 15	April 12	April 11	April 18	1984-85 High	1984-85 Low
104.90*	104.64	104.43	103.99	106.08 (13/2/85)	85.13 (24/7)

RISES AND FALLS

	April 11	April 18	April 9
Issues traded	2,013	1,990	2,019
Rises	925	1,047	728
Falls	627	487	774
Unchanged	461	456	516

New York Active Stocks

	Stocks Traded	3.00p.m. Price	Change on Day
Am Gen CP	1,519,900	31	+ ½
AMF	810,700	20⅛	− ⅜
Nocal CP	986,300	48⅜	− ⅜
Southern	828,900	20⅛	+ ⅛
Uniroyal	785,900	28⅛	− ⅛
Amer Gen	741,700	81¾	+ 1
IBM	722,000	129⅛	+ 1⅛
Datapoint	685,400	13⅜	− ⅜
East Air	643,500	8	+ ⅛
CSX Corp	628,400	24	+ ⅛

Advances 813 Declines 620

TORONTO	April 15	April 12	April 11	April 18	1984-85 High	1984-85 Low
Metals & Minls	2,082.8*	—	2,071.4	2,081.65	2524.4 (12/1/84)	1641.2 (25/7)
Composite	2,630.7*	2,620.0	2,630.5	2,625.87	2647.8 (5/3/85)	2079.7 (24/7)
MONTREAL Portfolio	129.43*	128.26	129.57	129.57	132.77 (6/3/85)	100.36 (24/8)

* Indicates pre-close figure

	Apr. 15	Apr. 12	Apr. 11	April 10	1985 High	1985 Low
AUSTRALIA						
All ord. (1/1/80)	857.8	864.6	865.3	853.2	864.0 (12/4)	715.6 (7/1)
Metals & Minls. (1/1/80)	557.8	561.1	558.7	548.4	561.1 (12/4)	393.6 (7/1)
AUSTRIA						
Credit Aktien (2/1/62)	75.19	75.76	75.21	74.05	75.78 (12/4)	68.21 (24/1)
BELGIUM						
Brussels SE (1/1/80)	2254.50	2269.94	2262.82	2268.27	2310.05 (13/3)	2090.7 (16/1)
DENMARK						
Copenhagen SE (3/1/83)	190.65	190.80	188.93	185.80	190.80 (12/4)	158.44 (0/1)
FRANCE						
CAC General (31/12/82)	218.7	220.0	218.2	216.7	220.0 (12/4)	188.9 (8/1)
Ind Tendance (28/12/84)	120.0	120.8	120.1	118.0	120.8 (12/4)	100.1 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	422.4	413.78	416.2	416.8	428.55 (21/3)	382.39 (3/1)
Commerzbank (1/12/53)	1220.3	1211.7	1202.3	1204.7	1228.5 (21/3)	1111.8 (3/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1506.44	1492.18	1485.39	1470.81	1506.44 (15/4)	1220.74 (2/1)
ITALY						
Banca Comm Ital. (1972)	272.21	272.45	274.26	273.49	288.71 (20/2)	228.56 (2/1)
JAPAN**						
Nikkei-Dow (16/5/49)	12552.73	12588.61	12575.8	12601.5	12683.3 (5/4)	11545.2 (5/1)
Tokyo SE New (4/1/68)	917.16	981.52	982.28	985.18	1006.96 (22/3)	316.33 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	207.4	206.2	205.6	204.9	209.7 (13/3)	165.6 (5/1)
ANP-CBS Indust (1970)	166.1	164.8	164.4	165.7	166.9 (22/3)	147.3 (5/1)
NORWAY						
Oslo SE (4/1/83)	306.54	308.53	310.78	313.26	345.6 (8/2)	288.15 (2/1)
SINGAPORE						
Straits Times (1966)	791.17	800.23	805.85	806.70	852.66 (7/3)	784.58 (16/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	—	1118.2	1126.0	—	1126.0 (12/4)	850.1 (11/2)
JSE Indust (28/9/78)	—	856.2	841.9	—	843.3 (4/1)	767.5 (8/5)
SPAIN						
Madrid SE (28/12/84)	109.09	109.79	110.64	111.41	117.41 (4/2)	181.88 (2/1)
SWEDEN						
Jacobson & P (11/89)	1425.85	1430.9	1428.16	1412.76	1496.98 (11/2)	1361.60 (2/1)
SWITZERLAND						
SwissBank Cpn. (31/12/58)	418.3	416.7	410.4	418.6	430.9 (10/3)	386.7 (5/1)
WORLD						
Capital Intl. (1/1/70)	—	203.2	202.6	201.16	205.3 (29/3)	184.6 (4/1)

** Saturday March 30: Japan Nikkei-Dow 12,590.2. TSE 999.08.

Base value of all indices are 100 except JSE Gold—255.7, JSE Industrial—264.3, and Australia, All Ordinary and Metals—500, NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡400 Industrials plus 40 Utilities, 40 Financials and 20 Transport. c Closed. u Unavailable.

LONDON STOCK EXCHANGE

MARKET REPORT

Strong tone emerges as interest rate optimism increases on rise in sterling

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar 25	Apr 11	Apr 12	Apr 22
Apr 15	Apr 25	Apr 26	May 7
Apr 29	May 9	May 10	May 20

* "New-time" dealings may take place from 9.30 am two business days earlier.

Optimism that bank base rates will fall further intensified yesterday following another impressive performance by sterling. As the exchange rate raced higher, London stock market investors began to exude confidence about fresh reductions in bank borrowing charges within the next few days. Many were looking for NatWest and Lloyds to lower their lending rates to 12½ per cent after Friday's ½ percentage point cut to 12½ per cent by Barclays and Midland.

A continuation of the downward pressures on money market interest rates—the key three month interbank level slipped to 12¼ per cent—reinforced those hopes, despite the authorities' reluctance to see interest rates *fall too quickly.* A massive shortage of funds in London financial markets failed to hinder demand for gilt-edged stocks which displayed gains of a point before drifting away from the highest level.

Renewed domestic and foreign demand enabled the Government broker to sell more stock. Official supplies of Treasury 9 per cent 1994 were exhausted at 87, while stock of the longer-dated Conversion 9½ per cent 2004 was *sold* at 92 and at 92½. The emphasis overall remained on medium life Gilts, but there was also increased activity in both the shorts and ultra-long issues.

International stocks were unaffected by the flight from the dollar, which could continue if economic statistics due later this week confirm recent indications of slackening U.S. growth. Blue chip issue Glaxo moved ahead strongly, encouraged by excellent interim results but there was little doubt that the broad advance in equities was underpinned by a revival in the Electrical sector. Unfashionable for some time past, selected leaders attracted considerable support which centred mainly on GEC and Thorn EMI.

Retailers also figured prominently, being stimulated by early news of an agreed merger. Associated Dairies is offering share exchange terms for MFI, the announcement following speculation late on Friday that MFI was being stalked by a predator. Measuring the general tone, the FT Ordinary share index gained 9.2 more to 977.0 for a rise of nearly 20 points *over the last two trading sessions.*

Midland rise

A Financial Times report that Midland Bank is contemplating exchanging its stake in European American Bank for an enlarged interest in European Banking Group, the UK-Belgian bank based in London, helped Midland advance 10 to 338p, after 340p.

Meanwhile, selling of Barclays *new nil-paid* shares continued and the close was 10 lower at 173p premium. Elsewhere, Cattles Holdings gained 4 to 33p in response to Press comment.

Apart from Commercial Union, a couple of pence easier at 212p, after 209p, *following* the annual general meeting, Composite Insurances moved higher in moderate trading. Royals improved 8 to 583p, while General Accident, 592p, GRE, 665p, and Sun Alliance, 452p, all closed 7 dearer. Elsewhere, Windsor Securities, in which Lander Investments recently increased its stake to nearly 11 per cent, attracted renewed speculative interest and finished 5 better at 63p. Sun Life rose 12 to 836p ahead of tomorrow's *preliminary* figures.

Specialist lifting machinery and crane hire concern Scott Greenham made a quiet market debut; the shares opened at the offer-for-sale price of 110p and moved up to 114p. Yesterday's newcomer to the Unlisted Securities Market, electronics group Wayne Kerr, opened at 142p and *closed at* 145p compared with the offer price of 130p.

Leading Buildings attracted selective demand on hopes of lower borrowing rates, but gains were generally modest. Rugby Portland Cement, however, rose 4 to 138p following the better-than-expected annual results, while Taylor Woodrow gained 7 to 375p awaiting today's preliminary statement. Elsewhere, Travis and Arnold shed 5 to 232p, after 225p, following disappointing preliminary figures and a cautious statement, but Bellway attracted buyers ahead of the interim figures due towards the end of the month and gained 11 to 124p. John Laing, also reporting soon, firmed 7 to 218p.

ICI, a subdued market of late on thoughts that its overseas earnings potential could be diminished by the strengthening pound, were given a mild boost by the Glaxo figures and settled 4 dearer at 750p, after 754p. Among other Chemicals, buying ahead of Thursday's annual *results lifted Laporte* 18 to 428p, while country support helped Croda International rise 6 to 141p.

Bid for MFI

MFI Furniture, up 37 late on Friday amid strong bid speculation, advanced to a new peak of 313p before settling a net 45 higher on the session at 303p following the agreed merger terms from Associated Dairies; *the latter finished 6 to the good* at 164p, having earlier traded between extremes of 152p and 166p. The development directed fresh and often considerable support to other companies trading in a similar area. Woolworth, which owns the B and Q chain, spurted 32 more to 817p, while Home Charm, *persistently supported* recently in the wake of brokers' recommendations, improved 25½ to 356p xd. Harris Queensway, scheduled to reveal preliminary results this Thursday, firmed 8 to 198p, after 202p, while W. H. Smith "A" *touched* 220p before closing 4 up on balance at 218p.

Cheaper money prospects stimulated some sizeable gains elsewhere in Stores, although prices generally finished below best levels. Burton, 485p, and British Home, 290p, advanced 9 apiece, while Marks and Spencer added *a few* pence at 146p. Demand continued apace for recent takeover favourite Debenhams, 11 up at 258p having earlier attained a new 1984-85 high of 264p. Bid talk lifted Moss Bros 17 more to 400p, after 405p, while double figure gains were also noted for Church, 35 up at 670p, Dunhill, 21 higher at 311p, *John Menzies,* 17 dearer at 285p and Ward White, 12 to the good at 250p, the last-mentioned following favourable Press comment. J. Hepworth hardened 5 to 200p awaiting today's half-timer, while Fortnum and Mason were marked 2½ points dearer at £31 following doubled annual *profits.*

GEC revived strongly in Electricals, closing 8 up at 194p following widespread publicity given to a couple of brokers circulars. Thorn EMI also fared well at 425p, up 15, but British *Telecom, a fraction easier* at 137p, were restrained by a report of Japanese selling, although leading institutions there pointed out that they remained net buyers of the stock. Elsewhere, Bowthorpe advanced 12 to 435p in anticipation of today's preliminary figures, while Emess Lighting added 10 to 325p on Press comment. Revived support left Crystalate 10 to the good at 178p and Unitech 15 higher at 245p, while Atlantic Computer firmed 5 to 400p in reply to the results. Applied Holographics, on the other hand, fell 10 to 215p *on news that two directors,* including a founder of the company, have resigned. Microlease, still reflecting the poor annual results, plummeted 50 more for a two-day relapse of 105 at 350p.

With the exception of a further rise of 9 to 452p in Hawker Siddeley following comment on the preliminary figures, leading Engineers were little altered. Secondary issues featured a jump of 63 to 165p xd in R. Cartwright on news of a share exchange offer from Henderson Group which closed 5 cheaper at 258p. Speculative *demand persisted for Stothert* and Pitt, up 15 more at 160p, while Delta Group were wanted at 160p, up 4.

News of the Associated Dairies/MFI merger triggered support for the Food sector's perennial takeover favourites. Tate and Lyle moved up 7 to 427p and Rowntree Mackintosh firmed 6 to 396p, the latter ahead of today's annual meeting. Ranks Hovis McDougall added a couple of pence to 154p, while United Biscuits improved 3 to 182p helped by the chairman's encouraging annual statement.

Glaxo good

Leading miscellaneous industrials were highlighted by Glaxo which moved ahead smartly to close at £11¼, up ⅜, following interim figures well above market estimates. Beecham improved 7 to 367p in *sympathy, while Boots hardened* 3 to 179p. Elsewhere, bumper preliminary results, a two-for-one scrip issue and the forecast of another record year in 1985 prompted a jump of 43 to 630p, after 635p, in Pentland Industries. Week-end Press *mention* stimulated buying of EIS, 18 higher at 210p, and Foseco, 8 to the good at 240p. Others to respond to newspaper comment included Brook Street Bureau, 7 higher at 120p, Grovebell 2½ dearer at 15p, and L. and J. Hyman, 1½ better at 32½p. Good annual results left Lamont 14 up at 157p, but disappointing *preliminary figures* prompted a fall *of* 8 to 312p, after 303p, in NMW Computers. Extel came to life with a rise of 45 to 360p; the company announced a deal to market Extel Computing's Exshare service to financial *institutions in Japan. Appledore* were favoured and put on 13 to 187p along with Barham, 40 to the good at 490p ahead of results due soon. Still reflecting recent trading statements, Wm Baird rose 10 further to 380p and UDO Holdings 16 more to 203 xd. Among smaller priced issues, Widney gained 3 to 31p, while speculative demand left United *Guarantee* 2½ dearer at 25p.

Among Leisure issues, demand in a restricted market lifted casino group Aspinall Holdings 11 to 162p. Pineapple Dance Studios, however, closed 5 down at 55p, after 51p, following reports that the co-founder had left the company.

Motor Distributors Adams and Gibbon rose 6 to 244p, after 246p, after rejection of the offer from Keep Trust. Among firmer Components, AE returned to favour *with a gain of* 5 to 148p, while Kwik-Fit, the subject of "call" option business, hardened 2 to 40p.

Properties continued to feature takeover favourite Stock Conversion which touched 485p prior to closing 10 higher at 480p following Press suggestions that Equity Trust's 23 per cent stake in the group is up for sale. Elsewhere, Stockley, also boosted by newspaper comment, closed 2 dearer at 77p, after 80p.

Among subdued Shippings, Reardon Smith, a volatile market recently, attracted revived speculative demand and advanced 5 to 17p; the "A" shares closed 2 up at 10p.

Bats rose 15 to 345p, after 353p, domestic investors being encouraged by a heavy turnover *of stock in the U.S. last Friday.* In contrast, the continued absence of news concerning the future of its Howard Johnson subsidiary left Imps 5 off at 180p.

Oils subdued

The leading Oils were largely ignored and price movements confined to a few pence either way.

Irish exploration issues, however, continued their recent revival and showed double-figure gains common to Bryson Oil and Gas, 140p, Eglinton Oil and Gas, 80p and Conroy Petroleum, 100p. Osceola Hydrocarbons put on 5 to 64p following the sub-division of the shares from £1 to 25p.

Golds gain ground

Gold-related sectors of mining markets continued their recent strong advance as bullion prices made further progress in the wake of the weak dollar.

South African Golds improved for the fifth successive trading day and reached their best levels since the beginning of last December, as measured by the Gold Mines index, which put on *3.5* more to *536.9.*

Share prices were marked up sharply at the outset and continued to gain ground throughout the session with Continental buying interest especially evident. A late bout of profit-taking in the metal price prompted a handful of issues to ease a fraction from their best levels but gains were generally evenly spread between heavyweights and cheaper priced stocks. In the latter group, Egoli Consolidated featured with a 25 jump to 90p while associate Consolidated Modderfontein continued their recent advance and put on 21 more to a year's best of 708p.

UK-domiciled issues showed Consolidated Gold Fields 20 to the *good* at 582p with *sentiment* additionally boosted by the good gains in UK equities. Rio Tinto-Zinc, reporting preliminary results tomorrow, moved up 13 to 658p helped by favourable weekend Press comment.

Demand for Traded Options was steady, if relatively unexciting. Total contracts struck amounted to 6,588 — 4,834 calls and 1,754 puts. Last week's daily average was 6,014. Operators displayed enthusiasm for Cons. Gold Fields which attracted 633 calls, while Commercial Union remained in demand with 516 calls done.

FINANCIAL TIMES STOCK INDICES

	Apr. 15	Apr. 12	Apr. 11	Apr. 10	Apr. 9	Apr. 4	year ago
Government Secs.	81.77	81.40	81.21	81.04	80.89	80.76	82.05
Fixed Interest	86.58	85.66	85.47	85.44	85.42	85.46	86.29
Ordinary	977.0	967.8	957.4	960.3	955.9	962.5	875.2
Gold Mines	536.9	533.5	524.6	512.0	516.2	509.3	672.0
Ord. Div. Yield	4.67	4.73	4.77	4.74	4.76	4.73	4.39
Earnings, Yld.% (full)	11.67	11.83	11.90	11.88	11.93	11.85	9.99
P/E Ratio (net) (*)	10.44	10.36	10.19	10.26	10.21	10.28	12.11
Total bargains (Est.)	24,820	26,092	25,698	25,340	26,897	25,761	24,096
Equity turnover £m.	—	493.55	380.40	281.39	254.20	308.67	283.01
Equity bargains	—	26,684	23,198	22,426	26,395	28,657	23,014
Shares traded (ml)	—	216.5	220.5	136.8	140.8	165.7	164.9

10 am 974.3. 11 am 978.8. Noon 976.1. 1 pm 975.7.
2 pm 975.7. 3 pm 978.0.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.13.

HIGHS AND LOWS

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	81.83 (8/1)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	85.68 (12/4)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.3 (22/1)	928.7 (3/1)	1024.3 (22/1/85)	49.4 (26/6/40)
Gold Mines	536.9 (15/4)	436.6 (25/1)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	Apr. 12	Apr. 11
Daily Gilt Edged Bargains	193.2	162.1
Equities Bargains	172.9	150.3
Equities Value	997.6	760.2
5-day Average Gilt Edged Bargains	107.6	147.5
Equities Bargains	165.0	166.3
Equities Value	867.7	646.1

NEW HIGHS AND LOWS FOR 1984/5

NEW HIGHS (93)

BRITISH FUNDS (10)
Treas. 3pc 1985
Exch. 2½pc 1986
Exch. 2½pc 1987
Treas. 3pc 1987
Exch. 11pc 1990
Red. 3pc 1986-96
Fund. 6pc 1993
Exch. 9¾pc 1988 A
Conv. 9½pc 2004
Exch. 10½pc 2005

BANKS (1)
Cattle's

BUILDINGS (2)
Access Satellite
Jarvis (J.)

CHEMICALS (2)
Delmar
Laporte Inds.

STORES (16)

ELECTRICALS (6)
Emess Lighting
Goring Kerr
JSD Computer
Klark-Teknik
Miles 33
Scholes (G. H.)

ENGINEERING (9)
Aurora
Cartwright (R.)
Chamberlin & Hill
Delta Group
Elliott (B.)
Manganese Bronze
Metalrax
Planet
Woodhouse & Rixson

FOODS (8)
Argyll Group
Belam
Fitch Lovell
Iceland Frozen Foods
Low (Wm.)
Park Food
Tesco
Do. 5pcCnv.Ln. 2002/07

HOTELS (1)
Mount Charlotte

INDUSTRIALS (19)
Aaronson Bros.
Appledore (A. & P.)
BETEC
Baird (Wm.)
Barham
Brit. Bldstck. Agcy.
Cookson
Crean (J.)
EIS
Evered
Extel
Inter-City Inv.
Lamont Hldgs.
MCD
Ozalid 9pc Cnv. 1987/92
Pentlands Inds.
Ropner
Do. A
Wolseley-Hughes

INSURANCE (1)
Windsor Secs.

LEISURE (1)
Aspinall

MOTORS (1)
Adams & Gibbon

NEWSPAPERS (2)
Metal Bulletin
Octopus Publishing

PAPER (1)
Promotions House

PROPERTY (7)
City Site Estates
Marler Estates
Peachey
Peel Hldgs.
Slough Ests. 12½pc Uns.Ln. 2009
Stock Conversion
Towngrade Secs.

TRUSTS (2)
Lowland Inv.
Scot. Cities A

MINES (4)
Cons. Modderfontein
Beatrix Mines
Minoil Secs.
Sons of Gwalia

NEW LOWS (23)

AMERICANS (3)
Business Computer
Imatron
Microcmptr. Mmries.

CANADIANS (3)
Bow Valley
Hudson's Bay
Massey-Ferguson

BREWERS (1)
Young Brew. A

BUILDINGS (1)
Travis & Arnold

CHEMICALS (1)
Hercules

STORES (1)
Ramar Textiles

ELECTRICALS (4)
A. & G. Secty. Elects.
Checkpoint Europe
HB Electronic Comp.
Pressac

INDUSTRIALS (1)
MacLellan (P. & W.)

INSURANCE (1)
Lincoln Natl.

LEISURE (2)
Entertainment Prod.
Pineapple Dance

NEWSPAPERS (1)
P'mouth & Sund'nd.

TRUSTS (2)
Viking Resources
Cambiom Venture

OILS (2)
Ranger Oil
Santos

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Anglo American Gold	£76⅛	+⅛
Assoc Dairies	164	+5
Brikat	313	—
Commercial Union	212	−2
Double Eagle	45	+2
Hepworth (J.)	200	+5
MFI Furniture	303	+45
Osceola Hydro	64	+5
Pentland Inds	630	+43
Poseidon	248	+10
Stockley	77	+2
Travis and Arnold	232	−5

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing Price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
§186	F.P.	9/3	172	156	✠Assoc. Steel Dist.£1	170	......	u8.0	2.1	6.7	11.7
§52	F.P.	19/4	79	68	✠BTS 10p	68	−2	bg3.4	2.0	7.1	8.8
¶185	F.P.	0/0	225	170	✠Bedford (William)5p	173	......	n0.0	2.0	2.2	18.0
¶118/30	F.P.	17/3	116	100	Blagden Inds.	110	......	7.2	1.9	9.3	7.3
§60	F.P.	3/4	88	70	✠Crown Int'l.Prod10p	75	+3	bg2.1	1.0	4.0	19.2
—	F.P.	—	42	37	German Small. Wrrts.	40	......	—	—	—	—
¶140	F.P.	14/5	160	150	Hillsdown Hldgs. 10p	150	−5	bgd3.5	2.7	3.3	14.0
§82	F.P.	6/6	66	60	✠Laidlaw Thomson	61	......	g3.6	2.0	6.2	11.5
¶145	F.P.	25/4	172	156	Mann 20p	172	+2	bg3.3	2.8	2.9	17.5
175	F.P.	13/5	210	196	New London Oil 5p	203	+5	—	—	—	—
100	75	1/3	78	70	Pacific Assets Tst.50p	76	+1	—	—	—	—
—	F.P.	—	44	39	Do. Ser. 1 Warrants	42	+1	—	—	—	—
¶¶	F.P.	—	90	73	P.&O. Warrants	73	......	—	—	—	—
100	F.P.	10/4	107	87	✠Pepe 10p	87	−1	u6.0	2.6	4.2	11.6
£7.25*	F.P.	26/4	730	680	Plantation Tst Units	690	−5	—	—	—	—
—	F.P.	26/4	95	67	REA Warrants	87	−5	—	—	—	—
‖	F.P.	—	69	57	✠Sangers	66	+2	—	—	—	—
110	F.P.	—	114	110	Scott Greenham 10p	114	......	bg3.0	2.4	3.8	14.8
100	F.P.	10/5	92	90	Shorrock 10p	91	......	1.6	6.3	2.4	23.9
¶175	F.P.	0/6	175	170	Sintrom 10p	173	......	ug1.84	3.3	1.0	28.9
130	F.P.	—	145	140	✠Wayne Kerr 10p	149	......	u1.0	4.2	1.6	22.5

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price £	+ or −
§101	£51	15/2	54½	50	Felixstowe Dock Prf. Units †	54½	+½
£6.81	£30	12/6	31¼	25	Int.-Am. Dev. Bk. 2¾Ln. 2010	31¼	+¼
¶100	£10	25/5	16¼	12	Mid Southern Wtr. 9% Red. Prf. 1990	13¼	......
—	F.P.	—	100⅛	99¾	Nationwide Bldg. Soc. 12⅜% 31/3/86	100⅛	......
—	F.P.	—	100¼	100	Do. 12¼% Bds. 21/4/86	100¼	......
—	F.P.	26/4	97	93	*REA Hldgs. 9% Cum. Pref.*	96	......
¶¶	F.P.	26/4	111	105	Sheafbank Prop. 6% Cum. Conv. Prf.	106	......
£2.823	£30	12/7	33⅞	30	Spain (Kingdom of) 11¾% Ln 2010	33⅞	+¼
£1.976	F.P.	27/3	97¼	90¼	Sweden 11% Ln. 2012	97¼	+½

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −
82	Nil	01/5	20pm	14pm	Aaronson Bros. 10p	20pm	+1
50	Nil	—	14pm	11pm	BBA	14pm	+2
150	Nil	14/5	222pm	173pm	Barclays £1	173pm	−10
142	Nil	—	22pm	10pm	✠Berkeley Group	16pm	−1
178	Nil	16/5	17pm	10pm	Bespak 10p	17pm	+½
65	Nil	17/0	223pm	173pm	Bullough 20p	182pm	−1
38	Nil	16/5	10pm	0½pm	FKI Electricals 10p	7pm	+½
245	F.P.	31/0	320	300	Fisons	305	+5
285	Nil	10/5	25pm	17pm	Glass Glover 5p	20pm	......
70	F.P.	—	76	65	Jackson Expln. ‖	65	−2
68	Nil	15/5	4pm	3pm	Mitchell Cotts	3½pm	+½
185	Nil	14/5	10½pm	10pm	Morgan Crucible	14pm	+5
A$0.2	Nil	—	3pm	2½pm	●Oil Search	3pm	......
7	Nil	10/0	10pm	7pm	Ryan Intl. 5p	10pm	+1
160	F.P.	31/5	204	193½	STC	127	+1
310	F.P.	19/4	356	331	Trafalgar House 20p	336	......
158	F.P.	14/0	178	168	United Biscuits	171	+2
240	F.P.	10/5	268	245	Wetmoughs	246	......
220	Nil	—	105pm	27pm	Wolstenholme Rink	105pm	+5
15	Nil	17/5	4pm	3pm	Worthington (A. J.)	3pm	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures *based on prospectus estimates. d* Dividend rate paid or payable on part of capital, cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ▌Allotment letters or fully-paid. ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share. ● Figures or report awaited. ‡‡ Units comprising 5 Ord., 1 Warrant and £2.50 nominal of conv. stock.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	83	3	12
Corpns. Dom. & Foreign Bonds	24	0	43
Industrials	508	248	888
Financial & Props.	98	120	328
Oils	86	120	328
Plantations	1	3	11
Mines	66	36	78
Others	27	150	33
Totals	863	590	1,250

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr 1	Apr 19	July 11	July 22
Apr 22	May 3	July 25	Aug 5
May 7	May 17	Aug 8	Aug 19

For rate indications see end of Share Information Service

Money was given for the call of Celtic Haven, Eagle Corp, Youghal Carpets, Barratt Development, Meekathara, Brengreen, Plessey, Osceola, Croda International, Premier Oil, Cornell, Dufay Bitumastic, Suter, Bula, R. Cartwright, Kwik-Fit, C. H. Bailey, Widney, MIM Holdings, Hong Kong Land, North Kalgurli, Promotions House, Sellncourt, Acorn Computer and *Armour Trust.* A put was struck in Cornell, but no doubles were reported.

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Fri. close	Day's change
Falcon Res	39	469	+9
Hawker Sidd	27	443	+33
ICI	24	746	+4
Pentland Inds	24	587	+2
Premier Cons	21	53	+7
Comm Union	19	214	−3
MFI Furniture	19	258	+37
RHM	19	152	+7
Burmah Oil	10	233	+12
Thorn EMI	18	410	+13
Glaxo	17	£10⅞	—
BAT Inds	16	330	−3
Smith Hallams.	10	55	+7
Racal Elects.	10	202	+8

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Mon April 15 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Fri April 12 Index No.	Thur April 11 Index No.	Wed April 10 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (207)	551.02	+1.1	10.12	4.03	12.32	4.30	545.01	540.41	540.32	527.81
2	Building Materials (24)	495.39	+0.2	12.85	5.06	9.62	1.33	494.41	494.27	488.96	518.47
3	Contracting, Construction (29)	706.49	+0.9	13.07	5.65	9.85	4.36	699.90	700.02	697.23	770.65
4	Electricals (15)	1566.18	+0.4	9.76	4.65	13.08	2.79	1559.82	1558.04	1563.33	1732.34
5	Electronics (36)	1715.83	+2.3	8.60	2.96	14.93	12.79	1675.84	1649.59	1653.34	1815.37
6	Mechanical Engineering (62)	308.81	+0.4	10.83	4.45	11.15	3.02	307.45	303.74	302.84	245.25
8	Metals and Metal Forming (8)	190.52	−0.3	11.87	7.70	10.41	1.94	191.15	189.48	189.63	203.67
9	Motors (17)	164.99	+0.2	13.38	5.08	9.24	2.58	164.64	164.21	164.31	143.62
10	Other Industrial Materials (16)	930.06	+0.7	7.79	3.34	15.52	9.80	923.64	920.56	927.24	700.49
21	CONSUMER GROUP (178)	645.47	+1.9	9.49	3.82	12.75	3.64	633.25	629.20	630.63	537.79
22	Brewers and Distillers (23)	568.95	+0.7	11.09	4.72	10.43	3.56	564.99	560.74	562.19	528.49
25	Food Manufacturing (20)	491.44	—	11.87	4.89	10.49	7.27	491.63	489.42	490.67	406.90
26	*Food Retailing* (13)	1572.32	+1.8	6.09	2.35	21.89	4.85	1543.97	1530.32	1532.10	1200.05
27	Health and Household Products (9)	1020.61	+3.8	5.86	2.65	19.96	1.35	983.50	980.65	995.47	819.79
29	Leisure (22)	666.89	+1.1	8.89	4.90	14.72	9.96	659.45	653.11	655.80	695.95
32	Newspapers, Publishing (12)	1770.58	+1.0	6.60	4.27	19.62	10.05	1753.55	1764.72	1759.76	1349.97
33	Packaging and Paper (14)	308.14	+0.7	11.39	4.24	10.18	1.07	305.91	305.43	307.27	267.44
34	Stores (43)	618.03	+2.9	6.85	3.15	17.86	1.55	600.68	591.00	586.63	489.08
35	Textiles (19)	321.99	+0.9	16.17	4.71	7.19	0.41	319.04	315.06	316.12	308.49
36	Tobaccos (3)	890.15	+2.7	16.35	4.82	6.82	5.43	866.51	876.80	881.21	648.68
41	OTHER GROUPS (98)	673.84	+0.3	8.99	4.03	14.05	4.58	671.85	671.22	675.40	454.84
42	Chemicals (17)	744.71	+0.6	13.70	4.90	9.07	13.77	740.07	736.91	746.57	613.37
44	Office Equipment (4)	185.00	+1.3	7.15	4.52	17.34	2.92	182.62	181.08	181.08	135.62
45	Shipping and Transport (11)	1156.57	—	7.02	4.09	19.01	18.65	1157.00	1149.33	1148.68	895.63
46	Miscellaneous (64)	838.14	+0.7	7.36	3.56	16.62	3.32	832.24	831.17	832.44	618.93
48	Telephone Networks (2)	824.58	−0.2	8.11	3.90	16.08	0.70	826.19	827.79	833.80	0.0
49	INDUSTRIAL GROUP (485)	636.84	+1.3	9.52	3.93	12.95	4.14	628.85	625.42	627.11	526.78
51	Oils (17)	1170.86	−0.1	15.92	7.11	7.71	37.00	1171.81	1171.87	1177.82	1137.52
59	500 SHARE INDEX (500)	681.57	+1.1	10.39	4.36	11.86	6.75	674.25	671.08	673.05	577.95
61	FINANCIAL GROUP (115)	448.06	−0.3	—	5.53	—	6.32	449.55	448.49	449.15	399.58
62	Banks (6)	420.58	−0.4	18.52	8.15	7.62	10.72	422.36	421.61	425.62	390.44
65	Insurance (Life) (8)	668.84	−1.5	—	4.71	—	12.95	679.06	673.24	671.01	499.43
66	Insurance (Composite) (7)	337.80	+0.9	—	5.77	—	4.15	334.77	333.81	333.24	284.11
67	Insurance (Brokers) (7)	1124.24	−1.1	7.66	3.59	17.43	11.28	1136.71	1142.92	1151.13	786.76
68	Merchant Banks (11)	230.14	−0.3	—	4.15	—	1.22	230.79	230.79	231.00	251.23
69	Property (50)	630.96	+0.4	5.61	3.63	23.61	1.29	628.40	627.29	626.23	578.50
70	Other Financial (26)	283.03	−1.5	8.23	3.72	14.64	4.29	287.24	286.85	286.03	265.58
71	Investment Trusts (106)	590.80	+0.5	—	3.36	—	4.35	587.66	588.83	591.65	521.67
81	Mining Finance (4)	311.08	+2.4	9.23	4.89	13.81	1.50	303.67	303.35	300.63	322.14
91	Overseas Traders (14)	657.19	+0.6	9.11	6.36	13.62	7.06	653.47	653.32	657.36	585.42
99	ALL-SHARE INDEX (739)	620.05	+0.9	—	4.51	—	6.39	614.73	612.32	613.95	532.00

	Index No.	Day's Change	Day's High	Day's Low	April 12	April 11	April 10	April 9	April 4	Year ago
FT-SE 100 SHARE INDEX	1288.5	+12.7	1288.9	1282.1	1275.8	1269.3	1273.1	1270.2	1278.5	1129.1

FIXED INTEREST

	PRICE INDICES	Mon April 15	Day's change %	Fri April 12	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	116.84	+0.19	116.94	0.31	3.69
2	5-15 years	128.96	+0.59	128.96	0.75	4.79
3	Over 15 years	136.72	+0.55	136.97	1.00	3.03
4	Irredeemables	150.57	+0.73	149.48	—	1.62
5	All stocks	127.66	+0.44	127.73	0.63	4.14
6	Debentures & Loans	109.67	+0.69	109.78	0.87	3.26
7	Preference	77.27	+0.30	77.09	0.15	2.30
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	118.04	+0.04	118.24	0.25	1.03

	AVERAGE GROSS REDEMPTION YIELDS		Mon April 15	Fri April 12	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	10.54	10.61	10.04
2		15 years	10.53	10.61	10.19
3		25 years	10.10	10.17	9.77
4	Medium Coupons	5 years	11.45	11.53	10.69
5		15 years	10.81	10.90	10.71
6		25 years	10.29	10.36	10.13
7	High Coupons	5 years	11.51	11.62	10.28
8		15 years	10.97	11.05	10.86
9		25 years	10.45	10.51	10.23
10	Irredeemables †		9.92	9.99	9.71
11	Debs & Loans	5 years	12.06	12.00	11.42
12		15 years	11.75	11.71	11.39
13		25 years	11.52	11.52	11.37
14	Preference †		12.73	12.72	12.73
15	Inflation rate	5%	3.39	3.39	3.31
16		10%	3.22	3.22	3.12

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, *Bracken House,* Cannon Street, London, EC4P 4BY, price 15p, by post 28p. For record of XD adjustments during 1985 to date please write to the Prices Room, Financial Times, 10, Cannon Street, London EC4P 4BY, enclosing stamped addressed envelope.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$320	—	—	7	30	50	37	$334
GOLD C	$325	37	16	—	—	—	—	"
GOLD C	$340	—	—	50	19 B	2	27	"
GOLD C	$350	23	4.50	—	—	—	—	"
GOLD C	$360	—	—	52	11.90	1	17.50	"
GOLD P	$300	—	—	11	5.10	1	2	"
		June		Sept.		Dec.		
$/FL C	FL340	12	10.30 A	10	13.50	—	—	FL342.40
$/FL C	FL350	306	6.80	—	—	—	—	"
$/FL C	FL355	172	4	10	8	—	—	"
$/FL C	FL360	22	3.20	0	5.60	0	8.50 A	"
$/FL C	FL365	84	2.50 A	20	6.50	0	7	"
$/FL C	FL370	45	1.90 A	—	—	—	—	"
$/FL C	FL380	—	—	40	3.50	10	3	"
$/FL C	FL390	—	—	—	—	—	—	"
$/FL P	FL325	251	3.50	—	—	—	—	"
$/FL P	FL335	31	4.30	—	—	—	—	"
$/FL P	FL340	88	9	104	14	—	—	"
$/FL P	FL345	116	11.50	7	17.30	—	—	"
$/FL P	FL350	10	15	1	19.50	—	—	"
$/FL P	FL355	63	16	—	—	—	—	"
$/FL P	FL360	11	20.50	7	25.50 B	—	—	"
$/FL P	FL370	13	29.30	1	34 B	—	—	"
$/DM C	DM.320	20	2.70 A	—	—	—	—	"
$/DM C	DM.325	—	—	20	4.50 A	—	—	"
£/$ C	$110	10	17.00 B	10	18 B	—	—	$127.90
£/$ C	$120	503	8	4	10.60	—	—	"
£/$ C	$125	194	5	11	7.80	—	—	"
£/$ P	$120	60	2.10	—	—	—	—	"
		Apr.		Jul.		Oct.		
ABN C	FL400	227	17	32	21.50 A	12	23.50	FL412
ABN P	FL400	8	0.10 A	72	7.50	0	10 A	"
AEGN C	FL190	644	1.90 A	232	8.20	35	11	FL185
AEGN P	FL180	433	0.90	132	8.50	—	—	"
AH C	FL230	35	1.10	186	8.40	106	13.30	FL226
AH P	FL220	33	0.10	26	3.70	—	—	"
AKZO C	FL110	1568	4.20 A	020	7.60	212	9.80	FL114.20
AKZO P	FL110	164	0.20	031	4.30	11	5.60	"
AMRO C	FL75	322	1.30	301	6.50	62	3.90	FL76.50
AMRO P	FL65	—	—	33	0.70	1	2	"
GIST C	FL190	66	0.20	23	4.10	26	7.50	FL186.25
GIST P	FL190	18	0.10	—	—	7	9.50	"
HEIN C	FL150	54	6.50 A	11	8.60	—	—	FL155.80
HEIN P	FL150	1	0.10	38	3.90	9	4.90	"
HOOG C	FL60	171	1.10	16	6.50	22	0.20	FL61.20
HOOG P	FL60	145	0.30	30	3.60	—	—	"
KLM C	FL60	801	1.50	209	4.30	107	5.70	FL61
KLM P	FL60	27	0.30	03	2.70	10	4.20	"
NEDL C	FL160	100	20	29	20.50	—	—	FL173.80
NEDL P	FL180	294	1	10	14.50	—	—	"
NATN C	FL37.50	1213	3.40	1302	5.80	32	5	FL70.80
NATN P	FL70	84	0.30	21	2.50	47	3.90	"
PETR C	Fr.6000	10	800	—	—	—	—	Fr.6,830
PHIL C	FL55	602	2.50 A	364	0.70	308	3.20	FL07.30
PHIL P	FL56	20	0.10	208	1.70	95	2.10	"
RD C	FL200	964	2.80	154	7	118	9.80	FL201.60
RD P	FL190	—	—	133	3.70	38	7.50	"
ROBE P	FL70	—	—	33	0.80	15	1.30	FL72.10
UNIL C	FL343	119	10	30	17.10	34	18.50	FL349.58
UNIL P	FL320	—	—	105	2.50	6	4.90	"

TOTAL VOLUME IN CONTRACTS: 30,447

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls Jly.	Calls Oct.	Puts Apr.	Puts Jly.	Puts Oct.
B.P. (*540)	460	60	95	105	1	4	2
	500	42	60	72	1	2	12
	550	2	26	40	90	27	35
	600	2	12	20	65	66	70
Cons. Gold (*582)	460	127	134	144	0¼	6	6
	500	87	95	110	1½	12	13
	550	67	98	70	4	16	22
Courtaulds (*146)	110	36	41	—	1½	[illegible]	—
	120	22	31	—	1½	[illegible]	—
	130	16	20	—	1½	[illegible]	—
	140	7	16	21	2	[illegible]	10
	160	1	9	12	16	[illegible]	22
Com. Union (*219)	160	03	60	65	1	[illegible]	0
	180	06	41	47	1½	[illegible]	2
	200	14	30	66	6½	[illegible]	13
	220	3	20	25	12	[illegible]	24
G.E.C. (*194)	160	36	—	—	2	[illegible]	—
	180	16	50	00	2	[illegible]	2
	200	2	12	24	10	[illegible]	17
	220	1	7	13	28	[illegible]	30
	240	1	6	—	48	[illegible]	—
Grand Met. (*298)	280	20	30	62	1	[illegible]	10
	300	4	17	25	0	[illegible]	20
	350	1	9	13	00	[illegible]	45
I.C.I. (*749)	700	08	84	—	2	[illegible]	—
	750	17	50	72	12	[illegible]	46
	800	4	31	50	67	[illegible]	76
	850	1	14	25	107	[illegible]	120
	900	1	4	12	137	[illegible]	170
Land Sec. (*290)	250	38	—	—	1½	[illegible]	—
	260	13	22	29	2	[illegible]	9
	300	2	11	18	11	[illegible]	21
	330	1	3	2	41	[illegible]	43
Marks & Sp. (*148)	120	28	34	39	1½	[illegible]	0
	130	16	25½	31	1½	[illegible]	6
	140	9	10	22	1	[illegible]	10
	160	1½	8	12	15	[illegible]	23
Shell Trans. (*713)	030	170	—	—	1	[illegible]	—
	500	120	137	—	1	[illegible]	—
	660	70	22	106	1	[illegible]	14
	700	25	50	65	0	[illegible]	87
	760	3	29	40	37	[illegible]	03
	800	1½	10	12	85	[illegible]	93
Traf'gar Hse (*335)	270	63	—	—	1	[illegible]	—
	295	45	48	—	1½	[illegible]	—
	323	13	24	29	2	[illegible]	13
	033	5	12	19	90	[illegible]	29
	385	1	6	11	50	[illegible]	53

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
BAT Inds. (*343)	280	70	80	—	1½	[illegible]	—
	300	50	62	—	5	[illegible]	—
	330	25	42	58	10	[illegible]	27
	360	2	22	32	30	[illegible]	48
	390	3	13	20	58	[illegible]	68
Barclays (*354)	285	57	72	—	3	[illegible]	—
	335	19	37	00	17	[illegible]	30
	385	3	17	30	55	[illegible]	52
	435	1	7	13	105	[illegible]	118
Br. Telecom (*130)	90	49½	52½	—	0½	[illegible]	—
	100	30½	42½	—	0½	[illegible]	—
	110	29½	32½	—	0½	[illegible]	—
	120	20	23	26½	1	[illegible]	3
	130	11	16½	12½	2½	[illegible]	8½
	140	4	11	14	0½	[illegible]	13
	150	1	4	7½	24	[illegible]	20½

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Imperial Gp. (*180)	160	23	01	—	2	4	—
	180	11	13	21	7	10	13
	200	2	12	10	23	27	32
	220	1½	6	11	43	40	48
LASMO (*311)	300	28	40	—	6	10	—
	330	12	25	36	27	30	67
	360	0	13	22	56	07	50
	390	2	0	14	82	86	88
Lonrho (*182)	140	43	46	—	1	2	—
	150	25	28	34	2	4¼	7
	160	8	17	23	7½	10	13
	200	3	7	—	20	24	—
P. & O. (*345)	300	47	65	—	2	4	—
	330	20	30	47	7	12	16
	360	2	20	30	20	30	30
	390	4	11	—	52	33	—
	420	1	6	—	22	22	—
Racal (*204)	180	32	40	48	2	4	0
	200	16	24	34	7	10	13
	220	3	10	24	12	22	29
	240	1	7	—	36	62	—
	260	1	4	—	66	56	—
	280	1	2	—	70	76	—
R.T.Z. (*657)	600	67	80	92	6½	13	17
	650	03	52	64	29	32	42
	700	14	30	40	68	03	72
Vaal Reefs (*$1.06)	80	26½	22½	31	1	2¾	4¼
	90	16½	21½	24	1½	0	7½
	100	11½	13½	12½	4½	2½	11½
	110	0	6	11	9½	12	14½
Ex. 10% 1989 (*£95)	90	5⅜	5⅛	—	0⅛	0⅛	—
	92	6⅜	3⅛	4⅛	0⅛	0⅜	0⅜
	94	1⅛	2⅜	6⅛	0¼	0⅞	0⅞
	96	0⅜	1⅛	1⅛	1⅛	1¼	1⅛
	98	0⅛	0½	—	3⅛	3⅛	—

Option		Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
BTR (*674)	650	37	62	67	12	20	93
	700	22	47	62	37	00	50
	750	14	30	44	82	83	94
Beecham (*368)	330	48	60	—	3	0	—
	360	25	33	40	19	17	22
	390	10	16	20	28	66	38
Bass (*559)	460	97	112	—	0	6	—
	500	62	60	97	2	12	16
	550	24	67	47	26	33	42
De Beers (*$5.65)	420	150	177	—	6	2	—
	460	122	142	153	10	17	30
	500	85	105	120	12	30	43
	550	42	86	85	33	48	02
GKN (*231)	180	37	63	—	2	2	—
	200	07	43	—	3	6	—
	220	91	27	33	7	10	13
	240	11	16	22	16	16	25
Hanson (*208)	180	29	36	—	4	8	—
	200	22	29	35	9	12	10
	220	13	16	20	17	61	96
	240	4	6	13	33	38	41
Jaguar (*302)	280	66	01	—	7	13	—
	300	20	35	48	14	21	28
	330	13	24	30	32	33	40
	360	3	10	—	53	59	—
Tesco (*239)	200	37	—	—	1½	—	—
	220	47	01	55	2	4	6
	240	22	54	39	3	2	13
	260	10	93	89	13	13	18
FT-SE Index (*1289)	1150	147	—	—	9	—	—
	1175	122	—	—	10	—	—
	1200	102	135	—	14	08	—
	1250	65	90	103	26	50	65
	1300	37	09	77	60	75	93

Apr. 15. Total contracts 6,588. Calls 4,834. Puts 1,754.
* Underlying security price.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1985 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99 1/16	97	Treas 3pc 1985	99 1/16 xd	.....	3.03	13.06
100 3/8	99 1/16	Treas 11 1/2pc 1985	99 9/16	−1/16	11.55	13.12
98 3/8	97 1/4	Treas 8 3/4pc Cnv '85	98 5/8	.....	8.87	12.28
101 11/16	99 3/16	Exch. 12 1/4pc 1985	100 1/4 xd	+1/16	12.23	12.09
101 5/16	99 9/16	Exch 11 1/4pc '86	100 1/8	+1/8	11.74	11.52
99 1/2	97 1/16	Treas. 10pc Cnv 1986	98 5/8 xd	+1/8	10.14	11.50
94 1/16	92 1/4	Treas 3pc 1986	93 7/8	−1/16	3.20	9.03
100	97 7/8	Exch. 10 1/2pc Cv '86	99 3/16	+1/8	10.59	13.38
101 7/8	99 1/4	Treas 12pc 1986	100 1/2	+1/8	11.94	11.48
97 7/16	94 1/2	Treas 8 3/4pc 1984-86‡‡	96 11/16	+1/8	8.79	11.43
105 3/16	102 7/16	Exch. 14pc 1986	103 3/16 xd	+3/16	13.55	11.59
91 1/8	87 3/4	Exch. 2 1/2pc 1986	91 1/8 xd	+1/8	2.74	8.56
104 5/16	101 1/4	Exch. 13 1/4pc 1987	102 5/8	+1/8	12.91	11.51
99 1/2	96 5/8	Treas 10 1/4pc Cv '87	98 1/16	+3/16	10.45	11.42
89 3/16	85 1/4	Exch 2 1/2pc 1987	89 3/16	+3/16	2.80	8.82
99 3/16	96 1/4	Exch. 10 1/2pc 1987	98 1/2	+1/16	10.66	13.27
92 1/4	89	Funding 6 1/2pc '85-87‡‡	92 1/4 xd	+1/8	7.05	10.85
98 1/2	95 1/2	Treas. 10pc 1987	93 3/16	+1/8	10.28	11.42
87 5/8	84 3/4	Treas 3pc 1987	87 5/8	+1/8	3.42	9.22
102 11/16	99 1/8	Treas. 12pc 1987	101 1/4 xd	+1/8	11.85	11.40
93	90 1/4	Treas 7 3/4pc 1985-88‡‡	92 1/4	+1/8	8.39	10.97
98 7/8	95 1/4	Exch 10 1/2pc '88	97 5/8 xd	−1/16	10.76	11.46

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING, TIMBER, ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

MINES—Continued

Finance

Australians

Tins

Miscellaneous

1985 High	Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's
350	159	♥Centennial Min'ls	390	–10	—	—	—
120	70	♥Colby Res Corp	105	.....	—	—	—
550	450	Cons. Murch. 10c	450	.....	†Q100c	1.4	10.8
40	28	♦Emrex Inv. Ir10p	37	+2	—	—	—
117	73	♥Greenwich Res. Inc.	80	.....	—	—	—
207	157	Hampton Areas 10p	207	+2	3.75	2.1	2.4
260	160	♥Highwood Res	390	.....	—	—	—
£22½	£12	Homestake Mining $1	£20½	–⅝	Q20c	—	0.8
310	171	♥McFinley Red Lake	225	.....	—	—	—
330	195	♥Musto Explorations	285	.....	—	—	—
55	23	♥New Sabina Res C$1	40	+5	—	—	—
375	260	Northgate C$1	355	–5	—	—	—
685	581	RTZ	658	+13	†18.0	2.7	3.9
£145½	£129	Do. 9½pcLn '95-2000	£142½	+2½	Q9½%	35.4	6.8
£13⅝	£10	♥Tara Expln $1	£13	..	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ф Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations. xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	202	....	Arnott	179½	.....
Craig & Rose £1	£10	.	CPI Hldgs	58	.....
Finlay Pkg. 5p	61	+1	Carroll Inds	111	.....
Higsons Brew	122		Dublin Gas	52	.....
Holt (Jos) 25p	775	–10	Hall (R. & H.)	45xd	.....
IoM Stm. £1	100	–5	Heiton Hldgs.	16½	.....
IRISH			Irish Ropes	41	.....
Exch. 12% 1985	£99⅞	..	Jacob (W.& R.)	66	.....
Nat. 9¾% 84/89	£83⅝	..	TMG.	115	.....
Fin. 13% 97/02	£97½	...	Unidare	64	.....

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	16	GKN	12	Turner Newall	10
BAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp	25	Hawker Sidd	38	Vickers	19
BSR	16	Hse of Fraser	10	**Property**	
BTR	52	ICI	60	Brit Land	12
Babcock	14	"Imps"	18	Cap Counties	18
Barclays	48	Jaguar	28	Land Secs	25
Beecham	32	Ladbroke	24	MEPC	28
Blue Circle	45	Legal & Gen	50	Peachey	23
Boots	13	Lex Service	23	Samuel Props	14
Bowaters	29	Lloyds Bank	45	**Oils**	
Brit Aerospace	33	Lucas Inds	25		
Brit. Telecom	11	Marks & Spcr	11	Brit. Oil & Min	4
Brown (J.)	3	Midland Bk	30	Brit Petroleum	42
Burton Ord	39	NEI	8	Burmah Oil	18
Cadburys	14	Nat West Bk	60	Charterhall	ф
Comm Union	19	P & O Dfd	36	Premier	5
Courtaulds	12½	Plessey	17	Shell	60
Debenhams	17½	Polly Peck	26	Tricentrol	18
Distillers	28	Racal Elect	10	Ultramar	19
Dunlop	6	RHM	11	**Mines**	
FNFC	8½	Rank Org Ord	32		
Gen Accident	45	Reed Intnl	58	Charter Cons	18
Gen Electric	17	Sears	8	Cons Gold	44
Glaxo	25	TI	20	Lonrho	14
Grand Met	25	Tesco	20	Rio T Zinc	56
GUS 'A'	60	Thorn EMI	35		
Guardian	60	Trust Houses	15		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2 01-588 2777 Dealing. 01-638 0478/0479
Britannia Viewpoint 01-675 6666

UK Specialist Funds				
Growth Gilt Trust	51.6	52.8		0.73
Recovery	76.6	81.7	+0.4	2.89
Smaller Cos	110.0	112.3	+0.4	1.30
Spec. Mkt. Sits.	73.2	78.1	+0.4	1.35
UK Growth (Domestic)	31.9	34.0	+0.4	7.10
High Income Funds				
Extra Inc.	50.9	53.8	+0.3	7.96
Gilt	25.8	31.2		9.11
Inc. & Growth	149.2	159.1	-2.8	4.78
Nat. High Inc.	143.0	152.5	+0.8	6.12
Pref. Shares	17.1	18.2		11.35

FS Investment Managers Ltd.
190 West George St., Glasgow. 041-332 6462

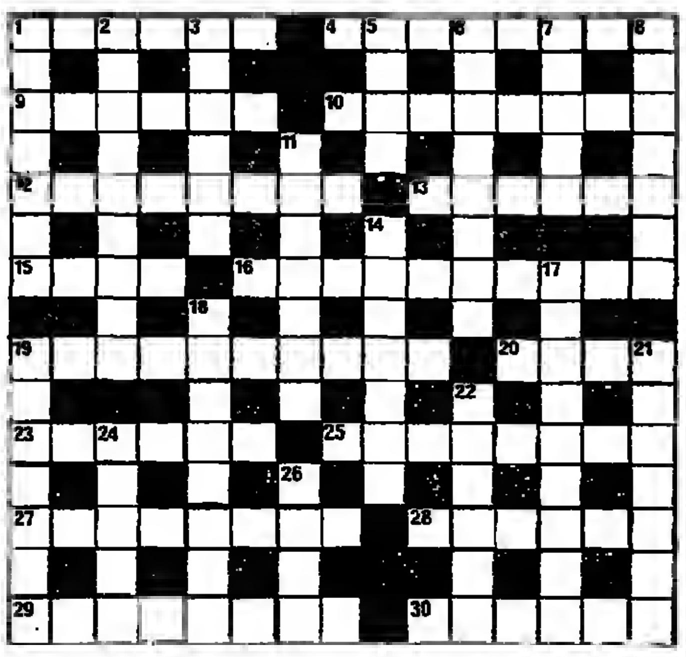
FS Balanced Gwth Fd.	218.4	232.3	+4.0	—

Fidelity International Management Ltd.
River Walk, Tonbridge, TN9 1DY. 0732 361144

American (z)	82.4	88.2		1.24
Amer. Eq. Inc. (z)	31.0	33.0	-0.1	3.39
Amer. Spec. Sits (z)	48.0	51.4	+0.2	0.28
South E. Asia Tst (z)	27.4	29.2	+0.1	1.73
Japan Special Sits (z)	23.1	25.3	-0.4	—
Japan Trust (z)	32.0	47.3	-0.4	—
Managed Int. Tst. (z)	82.4	47.7	+0.3	0.77
Max. Inc. Eq. Tst	54.8	58.4	+0.5	6.40
Special Sits	98.2	104.5	+0.5	1.28

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,694



ACROSS

1 Trollope character warned off (6)
4 *Belonging to cooler fellow* intermittently (3, 3, 2)
9 Scots Patron warned off (6)
10 Villa is first of houses to surprise (8)
12 Vacant situation, no stamp required (8)
13 *Move around,* warned off (6)
15 See 20
16 Nothing left, you girls? How vague can you get? (10)
19, 23 Swap round revolutionaries we found in hills—Trollope's work (10, 6)
20, 15 *Exaggerate the speed of* cricket? (8)
25 Happened to be French, Barbara's surname (8)
27 Tents on Everest are very theatrical (4, 4)
28, 30 1914 slogan causes a blemish on Oliver's head, warned off (1, 3, 2, 3, 3)
29 See 5
30 See 28

DOWN

1 Reason giren when dresing down (4, 3)
2 1924 scare for a holy day (3, 6)
3 Politician between river and junction is immune (6)
5, 14, 29 Rabbit with carrots 'e crunched: they produce a lot of energy (4, 7, 8)
6 Soda and a hundred eggs put up in pears (8)
7 Perished around river with no water (5)
8 Jack's Partner entertaining Ben? Take your time! (2, 5)
11 It's futile to be more economical (7)
14 See 5
17 A place to suit one making a terrible noise on a pole (6, 3)
18 Quick route for razor? (5, 3)
19 Family man, he says, but *dear to foreigners* (7)
21 Spite that sounds private? (7)
22 Lancashire town warned off (6)
24 Blanket doubled in New South Wales—dog's tail say? (5)
26 Ruler when frost arises (4)

Solution to Puzzle No. 5,693

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management¢
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.	$12.15	—	−0.01	—

Inv. Adv. M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas, IoM. 0624 25015

Wren Com. Fund	12.8	13.4	...	0.00
Chinese Fund	59.5	62.0	...	0.00
Precious Metal Fund	69.5	72.4	...	0.00
Vanguard Cmdy. Fd.	19.3	19.8	...	0.00
Financial Futures Fd.	31.6	33.0	...	—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd.	98.54	+0.07	—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST.			01-236 0952	
Call Fnd	13.27	9.92	14.76	6 mth
7-day Fnd	13.14	9.82	14.61	6 mth
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE.			01-236 1425	
Call Fnd	13.08	9.78	14.46	6-Mth
7-day Fund	12.96	9.69	14.32	6-Mth
Dollar	7.94	...	—	6-Mth
Money Mngt. Acct.	12.62	9.43	14.19	3-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Aitken Hume				
30 City Road, EC1Y 2AY.			01-638 6070	
Treasury Acc	13.00	9.72	14.33	Qtr
Mth. Int. Chq.	12.875	9.63	14.35	Mth
Bank of Scotland				
38 Threadneedle St, EC2P 2EH.			01-628 8060	
Cheque Acc.	12.60	9.41	14.02	Mth
Barclays Prime Account				
PO Box 125, Northampton			0604 252891	
High Int. Cheque	12.75	9.50	14.28	Qtr
Britannia Grp of Investment Companies				
29 Finsbury Circus, EC2M 5QL.			01-558 2777	
Cater Allen	12.50	4.34	13.94	Mth
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH.			01-248 3999	
Sterling	13.00	9.72	13.80	Mth
U.S. Dollar	8.00	5.98	0.30	Mth
German Marks	5.0	3.74	5.12	Mth
Swiss Francs	2.00	1.50	2.05	Mth
Japanese Yen	5.00	3.74	5.12	Mth
Co-operative Bank				
78-80 Cornhill EC3 01-626 6543 Ex 464				
Under £2,500	11.8	8.22	12.11	Qtr
Over £2,500	13.00	9.72	14.40	Qtr
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE.			0803 862271	
Money Mkt Acc.	13.50	10.09	15.23	Qtr
Henderson/Bank of Scotland				
38 Threadneedle St EC2P 2EH			01-628 8060	
Money Mkt. Cheque Acc.	12.60	9.41	14.02	Mth
Lombard North Central PLC				
17 Bruton St, W1A 3DH.			01-409 3434	
14-Day Notice	13.125	9.81	14.01	—
M & G/Kleinwort Benson				
91-99 New London Rd, Chelmsford.			0245 51651	
H.I.C.A.	12.60	9.42	14.07	Daily
Midland Bank plc				
PO Box 2, Sheffield.			0742 20999 Ext 8738	
High Int Chq	12.71	9.50	14.27	Qtr
Provincial Trust (formerly Choulartons)				
30 Ashley Rd, Altrincham, Cheshire, WA1 20W 061-928 9011				
Chequ Acc	13.50	10.09	15.41	Mth
Save & Prosper/Robert Fleming				
28 Western Rd, Romford RM1 3LB.			0708 66966	
High. Int. Bk. Acc.	12.31	9.20	13.98	Daily
Premier Acc.	12.31	9.20	13.98	Daily
Tyndall & Co				
29-33 Princess Victoria St, Bristol BS8 4BX 0272 732241				
Demand Acc	12.70	9.49	14.29	Qtr
Money Acc.	12.87	9.63	14.47	Qtr
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth			0705 827733	
Special Acc.	12.50	9.34	14.19	Mth
Over £10,000	12.75	9.53	14.50	Mth

NOTES—Gross rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR. Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ¢ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Exports of coffee fall below quotas

COFFEE exports by International Coffee Organisation members to importing members during the first six months of the current coffee year (to the end of March) were 3.7m bags below overall ICO quotas for that period at 26.8m bags, ICO figures show.

In the same period of the previous coffee year exports to members totalled 28.1m bags, and in the same 1982-83 period 26.9m.

Exports by members to non-members during the first six months to March 31 rose to 5.5m bags against 4.4m in the same 1983-84 period and 4.5m in the first six months of 1982-83, the ICO figures show.

The figures were made available at the opening session of a week-long ICO council session in London at which problems relating to exports to non-members will be tackled.

Most ICO producers agreed at a separate meeting last week on two proposals aimed at narrowing the difference in prices paid by members and non-members and at improving controls over possible diversions of the cheaper coffee back to member markets, especially via trans-shipment ports in Europe.

The producers will propose simply passing a resolution stating that there should be no difference in price on the two markets and setting up a committee to monitor the situation, delegates said.

The committee would be able to recommend to the ICO executive board penalties against exporters who continued to sell at lower prices to non-members.

Second, tighter control procedures already introduced in evidence every two months to cover non-member coffee which remained in free ports.

Under the existing controls penalties are provided in the form of deductions from ICO export quotas to member markets.

The ICO council will also discuss the extent to which ICO exporters are fulfilling their export quotas, delegates said.

Apart from diversions, other irregularities which producers have suggested should be examined more closely are forged certificates of origin and counterfeit or improper use of ICO export quota stamps.

Reuter

Further pressure on metal prices

BY JOHN EDWARDS, COMMODITIES EDITOR

BASE METAL prices on the London Metal Exchange came under renewed downward pressure yesterday as the value of dollar weakened again.

Aluminium, nickel, tin and zinc values all ended the day sharply lower. However, copper managed to resist the downward trend, in spite of copper stocks in the LME warehouses showing an unexpected increase.

The rise in copper holdings ended a long run of consecutive weekly stock declines, but failed to alleviate the shortage of immediately available supplies which yesterday forced the higher grade copper cash price to a small premium over the three months quotation.

There was reported to be a big buying order of some 17,000 tonnes by one dealer in early trading when the market opened higher, reflecting the strong upward move in New York on Friday night. However, values subsequently lost ground as the market weakened to end the day only marginally higher.

● Reuter reported from Washington that Nelson Bunker Hunt and his brother Herbert had filed motions with the U.S. Commodities Futures Trading Commission seeking clarification of the charges made against them of illegally manipulating the silver market in 1979-80.

The brokers said the Commission's complaint was "so unintelligible" that they were unable to respond. They claimed that the complaint was "unprecedented in its novel reliance on a theory of market manipulation resulting from sheer economic power."

Earlier Conticommodity Services filed a motion asking the CFTC for a more definite statement of the charges against it. Motions for clarification were also filed by International Metals Investment of Bermuda and Norton Waltuch, a registered floor broker.

In February, the CFTC alleged that the Hunts, together with several companies and individuals, participated in a scheme to drive up the price of silver.

LONDON METAL EXCHANGE WAREHOUSE STOCKS
(Changes during week ending April 12)

		(tonnes)
Aluminium	−1,900	to 111,400
Copper	+1,400	to 88,550
Lead	−2,200	to 46,650
Nickel	−636	to 4,350
Tin	+335	to 21,215
Zinc	+975	to 37,250
		(ounces)
Silver	+70,000	to 53,456,000

Jamaica unveils plan for bauxite industry revival

BY CANUTE JAMES IN KINGSTON

JAMAICA'S Prime Minister, Mr Edward Seaga, has announced a plan to revive the country's troubled bauxite industry.

A bauxite refinery owned by the Aluminium Company of America (Alcoa) and closed in February will be re-opened and operated by the company on behalf of the Government.

Mr Seaga said the plan, with a capacity of 800,000 tonnes, would produce 600,000 tonnes of alumina a year. Markets had been found for the alumina, but he did not say where they were. He said that the alumina would have to be sold at "extremely low" world market price.

In closing the refinery, Alcoa said it was a high cost producer, and that there was a glut of alumina in the company's system.

Industry officials said the agreement for re-opening the refinery amounted to a lease of the facility by the Government and a management contract to Alcoa.

Mr Seaga said: "The bauxite industry must not be written off." "We must never lose control of it."

The revenue shortfall caused by th decline of the bauxite industry had left a J$300m (about £45m) budget gap in the year to March 31, he said.

The Prime Minister also announced plans to switch unprofitable sugar cane land to other crops. He said a recent assessment showed there was 20,000 acres of such land.

Veterinary investigation centres set to close

BRITAIN is likely to close at least four of its 24 government veterinary investigation centres following the publication yesterday of a cost-cutting report by the Ministry of Agriculture.

Mr Michael Jopling, Agriculture Minister, accepted the thrust of the proposals, designed to reduce annual government expenditure of £9.5m on the Veterinary Investigation Service in line with general cuts in spending on agriculture.

However, he did not go as far as the report's recommendation that the number of centres should be reduced to 15 and that about 70 jobs should be cut. He said a strong case had been made for closure of the centres at Northampton, Chester, Liverpool, Cardiff and possibly Gloucester. The exact shape of the service after the cuts, and its new management structure, would be decided after further study.

● DAIRY farmers are being given a second chance by the Ministry of Agriculture to apply for "golden handshakes" to quit milk production, in an effort to free further quantities of production quota for reallocation to small producers and hardship cases.

● INDIA'S sugar output in the first half of the 1984/85 season to March 15 reached 4.81m tonnes, up from 4.62m in the same period a year ago, the Indian Sugar Mills Association said. Total domestic offtake in the period was 3.49m.

● CHINA exported 1.36m tonnes of grain in the first quarter of 1985, 3½ times more than in the comparable 1984 period, the Foreign Trade Ministry said. Earlier this month, the ministry announced that Chinese grain sales for 1984 reached 3.44m tonnes, double the 1983 figure.

● SRI LANKAN Coconut Industries Ministry secretary Mr Dharmasena Wijesinghe said export targets for 1985 were set at 8m fresh nuts, 6,000 tonnes of copra, 60,000 tonnes of coconut oil and 50,000 tonnes of desiccated coconut.

Last year exports totalled 4.3m fresh nuts, 2,440 tonnes of copra, 7,606 tonnes of coconut oil and 30,099 tonnes of desiccated coconut. Coconut output this year is estimated at 2.6bn nuts, up from 1.92bn in 1984.

A mixed outlook for UK farm land prices

IN VIEW of the general malaise affecting the farming sector caused by the impact of milk quotas and the threat of price reductions and other restrictions on cereals and beef and lamb, it is surprising that the Ministry of Agriculture's survey of prices for land sold with vacant possession in the three months to February should show an increase of about £100 a hectare over the three months to January.

However, closer examination of the figures shows that the area sold in the period, at 2,200 hectares, was the lowest by far for the last five years.

This indicates that vendors may have taken fright at the significant fall in prices since they peaked in June last year at £4,999 a hectare: they had fallen to £4,280 a hectare in the period ending January.

In addition, the peak time for selling farm land is traditionally from April to June, and it is safter to wait until those sales are reported before making an assessment of the market.

The estate agents' reports are couched in optimistic language, but then they always are. Even they, however, are believed to be advising their prospective vendors to hold off the market if they can, and they are not advising auction sales at the moment.

Auctions are fine on a rising market when buyers are setting the pace, but with a slow trade there is no thing worse for the vendor's morale than having to withdraw the offered farm because it has failed to meet its reserve.

Farmer's Viewpoint: by John Cherrington

In assessing the market the following factors should be taken into account.

The price of land is falling in a number of major farming countries because of the bearish outlook for the basic temperate commodities. At the same time EEC support does not seem to be as secure as it once was. Consequently, it is difficult to believe that UK land will maintain its price level for farming reasons alone.

This is really an academic point because, since Britain became a member of the EEC in 1973, it has seldom been possible to buy land at a price which would return a profit—that is, if its annual cost reflected interest rates. In fact, it is probable that the prices paid for land have reflected considerations other than purely farming ones.

Many of the sales recorded have been by farmers extending their holdings, averaging the inflated costs with land at low historic values. Averaging is a dangerous policy, but so far it has justified itself. The process has been aided by vendors splitting the properties into lots of a size to tempt surrounding farmers to bid more than they would for the farm as a whole.

Land in areas such as the south-east and near prosperous centres also has an amenity value which is hard to equal anywhere else in Europe and probably the world. This is reinforced by the fact that only in Britain does there seem to be a free market in farm land coupled with EEC security on product prices which helps to maintain values.

Tenanted land has also been in demand because of its use as a hedge against inflation and probable capital gain. However, until inflation is under control and the possible fruits of capital gains harder to achieve, there is not so much strain in that particular market.

Indeed there could soon be a good deal less. Rents are fixed triennially by agreement or arbitration. Under considerable pressure from the recently formed Tenant Farmers Association, some tenants have taken landlords to arbitration and have been able to reduce rents being paid.

The market therefore seems to be stagnant. There is no evidence to suggest that a sizeable body of farmers are overborrowed to the extent of their U.S. and Australian contemporaries. In fact, most bankers say that only a tiny fraction of their lending to farmers is at risk. Consequently there is unlikely to be any rush of offers for sale from farmers who have reached the end of their tethers.

On the other hand, there are farmers with savings which they would like to direct into the purchase of those extra acres which would make their farms just a bit bigger and would be still ready to bid above what could be called the economic price for such opportunities. Even the imposition of milk quotas has not brought about a slump in values, although it has certainly inhibited sales.

India produces large surplus of coal

BY P. C. MAHANTI IN CALCUTTA

INDIA HAS lowered its coal production target for 1985-86 because of an unexpected surplus in production during the year just ended. Pithead stocks have reached a record high of nearly 30m tonnes, some 24 per cent of the 130m tonnes which Coal India produced in 1984-85.

The pithead surplus has accumulated at a time when Coal India has been striving to increase production to meet a target based on higher demand projections. The coal mountain results mainly from the fact that consumers, including steel plants, have not been lifting their allotted quotas.

Ironically, there are still reports of coal shortages in some parts of the country, especially those farthest from the coal production centres which are mostly in the east.

Coal raisings in 1985-86 are to be pegged at 150m tonnes, the production target for 1984-85 was 152m tonnes, of which Coal India's share was 135m tonnes. The rest was to be contributed by other collieries and captive mines of some of the steel plants.

Coal India's actual production of 130m tonnes represented a rise of 9.4m tonnes over the previous year's 121m tonnes—itself 7m tonnes more than in the year before.

In 1985-86 Coal India has planned to produce only 6m tonnes more, at 137m tonnes. The other producers will contribute 13m tonnes.

● India's output of jute goods dipped sharply to 79,000 tonnes in March from 86,800 tonnes in February. The March output was the lowest for any month in the past five years.

Thirteen jute mills are closed, most of them because of the prevailing high prices and scarcity of raw jute. The situation is likely to worsen in April and May because these are usually the leanest months of the year for the supply of raw jute.

The lack of rain in West Bengal and other jute growing states in the east means that the crop outlook for the year is uncertain. West Bengal produces three-quarters of India's raw jute crop.

Decline in tea prices continues

THE RECENT slide in tea prices continued at yesterday's weekly London auction.

The average price for medium grade tea was 210p a kilo, 6p down from the last auction on April 1, according to the Tea Brokers' Association of London. Low medium tea averaged 160p, down 8p. Quality tea was quoted at 255p a kilo on average. This grade has not been quoted since the March 11 auction when it averaged 290p a kilo.

There were 43,413 packages on offer, including 11,426 in the offshore section.

Pakistan faces up to possible shortfall in wheat production

Mohammed Aftab in Islamabad looks at the effect of a severe drought on this year's crop

WHEAT production in Pakistan has plummeted as a result of the drought this winter and the country is far short of its 13.3m tonnes target for 1984-85. The shortfall may make it necessary to import from the U.S. or other sources.

The harvest in southern regions is reported to have started, but the key wheat area of Punjab will do so in the next few days. The Ministry of Food and Agriculture estimates that the wheat loss may be as bad as 15 to 20 per cent, but firm estimates of the crop are still being worked out.

If the losses do turn out to be 20 per cent, it will mean that Pakistan will be left with a crop of 10.64m tonnes, the lowest in the last five years — a period which has generally been characterised by good wheat harvests. If the losses are 15 per cent, the crop will be 11.3m tonnes.

The crop was beset by drought close to the time of plantings in October-November last year, but the full force of the drought was faced in January this year, when the crop needed considerable watering.

Poor rainfall drastically reduced water to the winter wheat crop. It also meant a smaller-than-normal availability of water in the country's extensive canal network—the world's largest.

The dry season resulted in reduced snowfall in the Himalayan range of mountains from which Pakistani rivers originate and feed the canals, as well as run its largely hydro-electric power system.

Reduced electricity in turn meant that irrigation water pumps were unable to operate as much as required, leaving fields starved of water. Power shut-downs, which range from three hours daily in the capital of Islamabad to up to eight hours daily in the farm and industrial belt, have also made serious in-roads into industrial production.

Closing prices for the U.S. markets were not available for this edition.

The drought damage to crops varies from region to region, but it is more than 15 per cent in Punjab, which produces about 70 per cent of all the wheat in the country. This province alone planted wheat on 12.93m acres, out of a total wheat area of about 18m acres.

The "Barani," or rain-fed, areas are the worst hit. The production from these areas determines whether Pakistan is in surplus or deficit in wheat. In the three years before this, Pakistan was exporting wheat to Iran.

The country was hoping for a good crop, compared with last year. This is because the Government raised the supply of good quality wheat seed this year by 14 per cent compared to 1983-84. Fertilizer sales were up by 5.3 per cent while credit for wheat growing was also raised.

The Pakistani agriculture bureaucracy has proliferated at a great speed in the recent past, and the farm scientists are still embroiled in inter-departmental feuding. The research facilities have failed to evolve drought-resistant wheat seeds, in spite of urgings by the President, Gen Mohammed Zia ul Haq. The seed varieties being used require a considerable application of water, and they cannot tolerate the stress caused by sudden rise in day temperatures, especially at a time when there is water shortage.

The situation this year led to smaller grains, poor maturity, and a heavy fall in the yield.

Pakistan also suffers a great deal of wheat crop losses. The losses inflicted on the crop by weeds and insects cannot be improved upon now, while the plants are close to harvesting, but storage losses can still be curtailed, experts say.

The wheat storage losses in Pakistan are estimated at 4-5 per cent of the harvest. Lack of storage capacity, the presence of rats, rodents and insects in stores, and losses in transit make the problem worse.

Food Ministry officials are undergoing an exercise to prepare themselves for a reduced crop and the possible need for imports of 1-2m tonnes costing about $20m (£16m).

Some areas are now belatedly getting rains since the first week of April. "This rain is a double-edged sword," said one food ministry official. Pakistan could have saved the foreign exchange on wheat imports, had rains come a little earlier, he said. Now, it may be beneficial to the late plantings, but in other areas where the crop, though poor, is ready, it may lead to a deterioration in quality and colour of the flour.

U.S. debates law on shipping of exports

BY NANCY DUNNE IN WASHINGTON

THE Reagan Administration has yet to settle a controversy within its ranks over whether or not to support legislative limitations on a protectionist maritime measure which is costing the U.S. millions of dollars in overseas farm sales.

The U.S. cargo preference law requires that 50 per cent of all government-supported exports be transported on U.S. ships. In the three years of its subsidised "blended credit" programme, the U.S. Department of Agriculture had expected such sales from the expensive requirement.

A February court ruling that the blended-credit programme falls under the Cargo Preference Act led the USDA to suspend its $536m (£430m) in export sales to four countries this year. However, Mr John Block, the U.S. Agriculture Secretary, has lobbied hard within the cabinet for new legislation to repeal cargo preference for U.S. farm exports backed by government programmes.

Despite Mr Block's assertion that the administration would support "the goals of the legislation" now in the Senate to limit cargo preference, other administration officials have disagreed. Mrs Elizabeth Dole, the Transportation Secretary, is opposing the legislation, and wants the Administration to appeal against the court decision instead.

An appeal, which must be filed by April 21, is not expected to succeed. In fact, it probably would not be heard until next year.

The court case has now raised the question of cargo preference application for the entire USDA credit guarantee programme which could make more expensive the shipping of all commodities guaranteed by the government. This, say farmer organisations, would jeopardise as much as $5bn in U.S. farm sales at a time when they are already handicapped by global oversupply and the strong dollar.

With or without administration support, farm state senators are prepared to move legislation exempting government-backed farm exports from cargo preference requirements. But the Bill will face strong opposition from maritime lobbyists and, farm organisations say, it stands in need of united administration backing.

LONDON MARKETS

COFFEE PRICES on the London futures market fell to the lowest levels for 11½ months yesterday as the strength of sterling continued to outweigh all other factors. The fall, which took the July position down another £59.50 to £2,071 a tonne, was also encouraged by a weaker tone in the New York market.

Currency considerations also depressed cocoa values, and the July futures position ended £18 down at £1,917.50 a tonne.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

METALS	Apr. 15 1985	+ or −	Month ago
Aluminium	£1100	......	£1100
Free Mkt	$1130/50	+5	$1120/140
Copper			
Cash h Grade	£1203.5	+4.0	£1258.6
3 mths	£1200	+1.0	£1275.5
Gold troy oz	$333.0	+4.0	$281.75
Lead Cash	£311	+1.0	£313.5
3 mths	£314	−2.75	£322
Nickel			
Free Mkt	240/270c	......	228/262c
Palladium oz	$116.50	+0.50	$101.50
Platinum oz	$301.25	+9.60	$247.00
Quicksilver†	$280/290		$290/300
Silver troy oz	526.3p	−5.60	623.50p
3 mths	541.95p	−5.65	540.55p
Tin cash	£9667.5	−150.0	£10,185
3 mths	£9647.5	−128.0	£10,182.5
Tungsten	$77.70	......	$76/68
Wolfram 22 04lb	$74/78	......	$73/78
Zinc	£710.5	−19.5	£840
3 mths	£699.5	−16.0	£809.0
Producers	$960	......	$800/840

OILS	Apr. 15 1985	+ or −	Month ago
Coconut (Phil)	$825v	—	$800
Palm Malayan	$650y	+5.0	$615
SEEDS			
Copra Phil	$500w	......	$525v
Soyabean (U.S.)	$261.95x	−2.0	$245.75
GRAINS			
Barley Fut. Sep	£98.45	−0.30	£117.00
Maize	£151.5v	—	£143.80
Wheat Fut. July	£123.25	−0.75	£119.00
No. 2 Hard Wint.	‡	—	‡
OTHERS			
Cocoa Ft. July	£1917.5	−18.0	£2095
Coffee Ft. July	£2071.5	−54.0	£2492.5
Cotton A Index	65.95c	−0.15	66.905
Gas Oil May	$226.0y	−1.5	$223.5
Rubber (kilo)	66p	−1.0	69.5p
Sugar (raw)	$108.5w	+0.50	$112.0
Wooltops 64s	485pkilo	−7.0	522pkilo

‡ Unquoted. w April-May. x April. y May. v March-April. † Per 76-lb flask. c Cents a pound.

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash	1201-2	+6.0	1203-4	+4
3 months	1193-4	−2.75	1200-1	+1.5
Settlem't	1202	+6.9	—	
Cathodes				
Cash	1127-9	+5.9	1127-9	+4.5
3 months	1194-6	−3.0	1202-4	+5.5
Settlem't	1129	+5.9	—	

Amalgamated Metal Trading reported that in the morning three months higher grade traded at £1204, 03, 02. Cash £1200, 01, 02, three months £1198, 97, 97.5, 98, 99, 96, 97, 96, 95, 94, 92, 3. Kerb: Higher Grade: Three months £1198, 7, 8. Afternoon: Higher Grade: Three months £119, 99, 98, 98, cash £1203, 04, three months £1199, 1200. Kerb: Higher Grade: Three months £1202, 01, 1200, 01, 02.5, 02, 01, 1200, 1200.5, 1200, 01. Turnover: 31,050 tonnes. U.S. Producers: 71.625-74.00 cents per pound.

TIN

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash	9975-80	−102.5	9660-9	−140
3 months	9580-90	−112.5	9660-5	−132.5
Settlem't	9680	−105.9	—	
Standard				
Cash	9680-80	−85.0	9699-60	−156
3 months	9698-75	−127.6	9645-50	−128
Settlem't	9690	−85.9	—	
Straits E.	$22.71		—	

Tin—Morning: Standard: Three months £9760, 55, 50, 40, £9730, 10, 9700, 02, 9700, 9690, 85, 80, 90, 90, 70. High grade: Cash £9680. Kerb: Standard: Three months £9685, 7, 65. Afternoon: Standard: Three months £9650, £9670, cash £9670, 70, three months £9650, 45, 40. Kerb: Standard: Three months £9635, 30, 20, 10, 20, 25, 20, 10, 05. High Grade: Three months £9650. Turnover: 1,695 tonnes.

LEAD

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	307-8	−9.0	310.2	+1.0
3 months	304.5	−6.25	306-7	−2.75
Settlem't	308	−5.0	—	

Lead—Morning: Three months £309, 08.5, 08, 07, 06.5, 05, cash £306, 08, 09, 09, three months £305, 04.5. Kerb: Three months £304. Afternoon: Three months £305, 05.5, 06. Kerb: Three months £308, 09, 10, 09. Turnover: 8,925 tonnes. U.S. Spot: 20.00-22.00 cents per pound.

ZINC

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	713-4	+9.5	710-11	−12.5
3 months	700-1	−10.0	698-700	−15.0
Settlem't	714	−10.0	—	

Zinc—High Grade Official/Unofficial prices: Cash am £740.5-1.5, pm £737-£742. Three months am £720-30, pm £737-731; Settlement £741.5. Morning: Three months £699, 700, 701, 700, 699, 701. High Grade: Cash £741. Kerb: Three months £700, 699, 97. Afternoon: Three months £699. High Grade: Cash £742, £711, three months £697, 98, 99, 700, 699. Kerb: Three months £701, 02, 03. Turnover: 11,250 tonnes. U.S. Prime Western: 45.50-47.75 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Spot	875-.5	−4.6	860.5-1.5	−23.9
3 months	884.5-.6.5	−9.5	884-.5	−23.x

Aluminium—Morning: Three months £891, 92, 93, 92.5, 92, cash £874, three months £892, 94, 93, 94, 95, 95.5. Kerb: Three months £894, 92, 91, 88, 87, 86. Afternoon: Three months £886, 85.5, 86, £886, 85, 84.5, 84. Kerb: Three months £888, 89, 90, 89, 88. Turnover: 21,275 tonnes.

GOLD

Gold rose $4 to $332¾-333¼ on the London bullion market yesterday. It opened at $328-328½, the low of the day, and was fixed at $330.30 in the morning. The weakness of the dollar amid fears of a slow down in U.S. economic growth, and concern about the health of the U.S. banking system, boosted the metal to $334.25 at the afternoon fixing. It touched a peak of $335¾-336¼.

GOLD BULLION (fine ounce) Apr. 15

Close	$332¾-333¼	(£260½-261)
Opening	$328-328½	(£262½-263)
M'n'g fix.	$330.30	(£261.923)
Aft'n'n fix.	$334.99	(£261.439)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$342½-344	(£268-269¼)
½ Krug.	$176-176	(£137-137¾)
¼ Krug.	$89-90	(£69¾-70½)
1/10 Krug.	$36-39¾	(£28¼-28¾)
Mapleleaf	$342½-344	(£268-269¼)
New Sov.	$78-78½	(£61-62¼)
½New Sov	$48-48	(£37½-38¼)
Old Sov.	$78-78½	(£61-68½)
$20 Eagle	$440-460	(£344¼-375½)
Noble Plat	$311-314½	(£244½-247¼)

SILVER

Silver was fixed 5.6p an ounce lower for spot delivery in the London bullion market yesterday at 526.3p. U.S. cent equivalents of the fixing levels were spot 675c, up 3.6c; three-month 689.2c, up 9c; six-month 705.25c; and 12-month 738.35c, up 10.85c. The metal opened at 530-533p (662-665c) and closed at 524½-527½p (670-673c).

SILVER per troy	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	526.30p	−5.60	523.0p	−6.5
3 months	541.95p	−5.65	539.ep	−8.5
6 months	557.60p	−5.20	—	—
12 months	595.50p	−5.30	—	—

LME—Turnover: 53 (43) lots of 10,000 oz.

Morning large 1st ring cash untraded, three months 545, small untraded. 2nd ring large cash untraded, three months 545, 44.5, small untraded. Kerb: Untraded. Afternoon: large 1st ring cash untraded, three months 538.38, small untraded. 2nd ring large cash untraded, three months 539, 38, 39, small untraded. Kerbs untraded.

NICKEL

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Spot	4285-300	−41.5	4260-70	−72.5
3 months	4275-80	−48.0	4255-7	−76.5

Nickel—Morning: Three months £4340, 55, 50, 50, 60, cash £4295, 4300, three months £4270. Kerb: Three months £4260, 65, 60. Afternoon: Three months £4260, £4260, 55. Kerb: Three months £4250, 45. Turnover: 1,566 tonnes.

COCOA

Following a steadier opening futures drifted lower during a day dominated by currency movements and closed on a weak note near the lows, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
May	1936-1907	−14.0	1953-1937
July	1917-1918	−18.0	1958-1915
Sept.	1877-1880	−21.5	1914-1887
Dec.	1822-1823	−16.0	1849-1822
Mar.	1821-1822	−18.5	1845-1828
May	1820-1830	−19.0	—
July	1815-1840	−20.0	—

Sales: 2,916 (4,260) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for April 12: 105.86 (103.90): five-day average for April 15: 103.94 (103.07).

COFFEE

In thin conditions prices declined against steadier pound, reports Drexel Burnham, Lambert. However, opening losses were only £3 and forward contract traded slightly before a sharp rally in pounds produced a fall of £40.65. The value recovered slightly but a weaker New York performance added further pressure and additional losses were registered towards the close.

COFFEE	Yesterd'ys Close	+ or −	Business Done
May	2030-32	−54.0	2097-30
July	2071-72	−59.5	2137-71
Sept.	2109-19	−56.5	2170-06
Nov.	2135-38	−58.5	2196-35
Jan.	2135-38	−69.0	2188-36
March	2110-16	−60.0	2140-15
May	2100-10	−25.0	2155-10

Sales: 3,186 (4,584) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for April 12: Comp. daily 1979 131.41 (131.76): 15-day average 133.18 (133.30).

COTTON

LIVERPOOL — Spot and shipment sales amounted to 806 tonnes. Users were anxious to supplement existing stocks. Further purchases in Middle Eastern qualities were recorded with some support in West African growths.

INDICES

FINANCIAL TIMES

April 12	April 11	M'th ago	Year ago
295.47	299.27	300.46	306.37

(Base: July 1 1952 = 100)

REUTERS

Apr. 15	Apr. 11	M'th ago	Year ago
1901.9	1910.3	1999.3	2000.9

(Base: September 18 1931 = 100)

MOODY'S

Apr. 12	Apr. 11	M'th ago	Year ago
962.0	961.9	950.8	1,082.8

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Apr. 12	Apr. 11	Month ago	Year ago
Spot	120.58	121.39	116.30	142.11
Fut.	124.04	124.9	120.41	144.07

(Base: December 31 1974 = 100)

GRAINS

The old crop market gradually declined in quiet trading on lack of physical demand to close at the days low of 80p down with barley static at 15p down. New crops also eased on hedge selling to end the day 30-35p down, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or −	BARLEY Yesterdys close	+ or −
May	112.35	−0.85	119.20	−0.19
July	193.25	−0.75	—	
Sept.	99.85	−0.85	98.39	−0.60
Nov.	102.35	−0.80	102.10	−0.25
Jan.	106.00	−0.85	105.60	−0.38

LONDON GRAINS—Wheat: U.S. dark northern spring No 1 15 per cent afloat 158.75, April/May 149.65, June/July 148.45 transhipment east coast. U.S. No 2 soft red winter May 148.75, June 145, Aug 144.50, Sept 137.25 transhipment east coast. EC French July 118.50, cif freeout east/west coast. English feed April 123.50, May 124, June 126.50, Aug/ Sept 99.75, Sept 100, Oct/Dec 105 sellers east coast. Maize: U.S. No 3 yellow/ French transshipment east coast April 151. Barley: English feed fob April 118.50, May 119.20, June 122.50, July/Aug 99.60, Aug 98.75 sellers east coast, rest unquoted.

HGCA — Locational ex-farm spot prices. Feed wheat: E. Mids 119.80, Scotland 119.30. Feed barley: E. Mids 114.50, Scotland 113.10. The UK monetary coefficient for the week beginning Monday April 22 is expected to change to 0.990.

PIGMEAT

Prices opened on a steadier note in very thin volume but fell sharply on the close because of light trade and speculative selling, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
June	104.70	106.00	106.00-104.50
Aug.	101.30	102.30	102.10-101.20
Oct	107.40	108.60	107.50-107.40
Nov.	108.40	109.50	109.60-108.40
Feb.	98.80	100.50	—
April	99.60	100.60	—

Sales: 102 (28) lots of 50 carcases, 3,250 kg.

RUBBER

PHYSICALS — The London market opened easier, continued to drift lower during the afternoon, and closed on a weak note, reports Lewis and Peat. Closing prices (buyers) spot 66.00p (67.00p). May 66.75p (68.25p). June 67.25p (68.75p). The Kuala Lumpur fob price for RSS No 1 was 194.0 (197.5) cents a kg and for SMR 20 was 195.0 (197.0).

POTATOES

Fine weather forecast, and better weekend conditions than expected, brought out heavy selling of new crops, moving values down to pre-Easter levels before trading, reports Coley and Harper. Old crops were quiet, easing lower in lack of news.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
April	44.00	45.00	44.10-45.50
May	50.40	52.30	53.00-50.50
Nov.	70.90	76.00	72.00-70.00
Feb.	78.00	85.30	85.00
Apr.	94.90	103.50	97.70-94.50

Sales: 1,008 (635) lots of 40 tonnes.

OIL

In thin trade all 8mnl months tracked Nymex fluctuations which by noon EST set WTI around 7c higher than Friday's close. Gasoil prices fell in a thin and uncertain market as a result of the strong fall on the Nymex on Friday and today's weak futures. Heavy fuel prices remained unchanged, although buying interest was restricted in all centres—Petroleum Argus London.

GAS OIL FUTURES

Month	Yest'day's Close	+ or −	Business Done
	$ U.S. per tonne		
April	228.75-28.80	+1.25	229.50-27.75
May	225.00-25.25	−1.56	226.50-24.00
June	221.75-22.00	−1.50	222.75-21.00
July	222.00-22.25	−1.75	222.50-21.25
Aug	224.00-24.25	−1.25	225.75
Sep	226.75-27.05	—	227.00-25.50
Oct	229.25-29.50	—	—

Turnover: 1,374 (—) lots of 100 tonnes.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)—May		
Arab Light	27.65-27.75	—
Arab Heavy	26.40-26.45	—
Dubai	28.70-28.80	−0.50
Brent Blend	27.89-27.90	−0.19
*Forties		
W.T.I. (1pm est)	28.70-28.80	−0.15
Forcados (Nigeria)	28.00-28.10	−0.10
Urals (cif NWE)	27.29-27.60	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	286-288	+0.5
Gas Oil	227-229	−1.5
Heavy fuel oil	162-166	—

* May

Petroleum Argus estimates

SUGAR

LONDON DAILY PRICE—Raw sugar $108.50 (£88.00), up 50c (same) a tonne for April/May delivery. White sugar $134.0, up $1.00.

Tate and Lyle delivery price for granulated basis sugar was £194.00 (£195.00) a tonne for export.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
May	108.2-108.5	111.8-112.2	112.5-107.6
Aug	115.8	116.4-117.0	117.4-115.0
Oct	118.8	120.0-120.2	120.5-116.5
Dec	125.8-127.0	126.8-126.8	128.0
Mar.	134.2-134.5	138.2-139.8	138.6-134.5
May	142.5-143.5	142.2-145.4	—
Aug	148.0-149.5	147.8-149.4	—

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for April 12: Daily price 3.68 (same): 15-day average 3.71 (3.72).

Sales: 1,291 (10,067) lots of 50 tonnes.

SOYABEAN MEAL

	Yesterday close	+ or −	Business Done
	£ per tonne		
April	126.9-138.8	—	—
June	126.6-127.5	−1.20	127.8-127.9
August	124.5-125.2	−1.15	128.0-126.0
October	127.0-128.0	−1.50	128.5-128.0
Dec.	134.3-134.5	−1.80	—
Feb.	137.8-140.0	−1.05	—
Apr.	139.0-143.0	−1.75	—

Sales: 237 (75) lots of 20 tonnes.

OTHER MARKETS

MEAT

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 74.0 to 81.0; English hindquarters 92.0 100.0, forequarters 48.0 to 53.0. Veal: Dutch hinds and ends 122.0 to 128.0. Lamb: English small (new season) 124.0 to 132.0, medium 124.0 to 130.0, heavy 124.0 to 125.0. Imported New Zealand PL (new season) 67.5 to 68.5, PX 65.5 to 66.0. Pork: Fat Sheep: English 100.0 to 115.0. Pork: English under 100lb 46.5 to 59.0, 100-120lb 53.0 to 56.0, 120-160lb 41.0 to 49.0.

MEAT COMMISSION—Average fatstock prices at representative markets GB—Cattle 95.03p per kg lw (−3.76). GB—Sheep 253.69p per kg est dcw (+1.43). GB—Pigs 78.27p per kg lw (−4.43).

ROTTERDAM

U.S. No. 2 yellow Gulfports April 246.25, May 247.25, June 246.85, July 247.25, August 247.65, Sept 247.50, Oct 243.75, Nov 243.75 sellers.

SOYAMEAL—(U.S.$ per tonne): U.S. cif Rotterdam 44 per cent Afloat 164. 161, April 156.50, May 150, June 152 sellers. Pellets Brazil Afloat 176-159.50, April 158, May 154.50, June 154. July 154. May-Sept 156, sellers. Argentina Afloat 164.50-161, April 155.50, May 151, June-July 150, May-Oct 152 sellers.

Wheat—(U.S. $ per tonne): U.S. two soft red winter May 168, July 150.25, Aug 150.50, Sept 152 sellers. U.S. two northern spring 14 per cent protein April/May 171.50, June 169 July 167.50, Aug 168, Sept 166.50 sellers. U.S.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Fears on growth hit dollar

The dollar lost ground in nervous and erratic foreign exchange trading, on fears that this week's batch of economic data will indicate a slow down in U.S. growth. March industrial production is due for publication today, and is expected to rise by about 0.4 to 0.7 per cent, compared with a fall of 0.5 per cent in February but after last week's retail sales figures, which showed a surprising fall, the market is very uncertain. Forecasts for Thursday's revision of first quarter gross national product growth vary considerably, but whereas it was assumed until recently that the figure would be revised up from the flash estimate of 2.1 per cent, there are now pessimistic forecasts well below this level.

At first the dollar was quite strong, leading to suggestions of a technical shortage of the currency. But after touching DM 3.0770 it fell away quickly to a low of DM 3.01, before stabilising at around DM 3.02, and closing at DM 3.0250 compared with DM 3.0510 on Friday.

The dollar also fell to FFr 9.23 from FFr 3.3150; SwFr 2.5255 from SwFr 2.5655; and Y249.90 from Y250.85. The yen was rather sluggish compared with European currencies, reflecting concern at friction between the U.S. and Japan over trade, and the possible introduction of protectionist measures against Japan.

On Bank of England figures the dollar's index fell to 144.0 from 145.8.

STERLING — Trading range against the dollar in 1985 is 1.2750 to 1.0525. March average 1.1260. Exchange rate index closed at the day's peak of 79.3, the highest level since June, and a rise of 0.9 from Friday. It opened lower at 78.1, and rose sharply to 79.2 at 11 am, and remained firm apart from a slight dip around lunch time.

High London interest rates continued to attract funds into sterling. The pound touched a peak of $1.2845, and closed 1.80 cents higher on the day at $1.2745-1.2755, the best level since mid-September. At one time sterling was above DM 3.88, the highest point for over a year, and closed at DM 3.8575 compared with DM 3.8450. It also improved to FFr 11.78 from FFr 11.7050 and Y319 from Y315.50, but declined to SwFr 3.22 from SwFr 3.2250 against the strong Swiss franc.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 3.0250. March average 3.2972. Exchange rate index 122.7 against 119.8 six months ago.

The D-mark rose sharply against the dollar, as the U.S. currency lost ground against all major currencies. After a hectic afternoon's trading the dollar fell to DM 3.0225 in Frankfurt from DM 3.0815 on Friday. It opened at DM 3.0610 yesterday, but after rising to DM 3.0770 met with late selling out of Singapore, and tested resistance levels at around DM 3.04 and DM 3.0250. At the Frankfurt fixing the German Bundesbank did not intervene when the dollar fell to DM 3.03 from DM 3.0640. The general mood of the market was nervous ahead of today's figures on U.S. industrial production and Thursday's revised GNP data, with dealers suggesting that an assault on DM 3.00 may be about to start.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu April 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.1176	+0.48	+0.59	±1.5622
Danish Krone ...	8.14104	8.02346	−1.44	−1.33	±1.6419
German D-Mark	2.24184	2.23849	−0.13	−0.04	±1.1475
French Franc ...	6.87456	6.83427	−0.59	−0.48	±1.3669
Dutch Guilder...	2.52595	2.53384	+0.31	+0.42	±1.5171
Irish Punt	0.72569	0.715553	−1.40	−1.29	±1.6703
Italian Lira	1403.49	1431.07	+1.97	+1.97	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING EXCHANGE RATE INDEX

	April 15	Previous
8.30 am	78.1	78.5
9.00 am	78.3	78.5
10.00 am	78.3	78.5
11.00 am	79.2	78.3
Noon	79.2	78.4
1.00 pm	79.8	78.5
2.00 pm	79.3	78.4
3.00 pm	79.1	78.3
4.00 pm	79.3	78.4

£ in New York

	April 10	prev. close
£ Spot	$1.2750-1.2770	$1.2600-1.2620
1 month	0.45-0.41pm	0.44-0.42pm
3 months	1.14-1.09pm	1.14-1.18pm
12 months	2.50-2.20pm	2.23-0.10pm

Forward premiums and discounts apply to the U.S. Dollar.

POUND SPOT—FORWARD AGAINST POUND

April 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2420-1.2845	1.2745-1.2755	0.43-0.41c pm	3.95	1.11-1.07pm	3.42
Canada	1.7050-1.7500	1.7355-1.7375	0.45-0.27c pm	2.49	1.20-0.98pm	2.81
Nethlnd	4.32½-4.39¾	4.35¾-4.36½	2⅝-1⅝c pm	0.85	6½-5½pm	0.50
Belgium	77.06-78.35	77.80-77.90	27-23c pm	3.85	46-42pm	2.26
Denmark	13.69¾-12.86	15.79½-13.80½	3⅝-2¼ore pm	2.50	10½-8½pm	2.68
Ireland	1.2240-1.2375	1.2325-1.2335	0.02-0.11p dis	−0.63	0.11-0.29dis	−0.83
W. Ger.	3.8220-3.8845	3.85¼-3.86¼	2½-1½pf pm	7.00	6¼-5¼pm	6.48

DOLLAR SPOT—FORWARD AGAINST DOLLAR

April 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2420-1.2845	1.2745-1.2755	0.43-0.41c pm	3.95	1.11-1.07pm	0.42
Ireland†	1.0190-1.0385	1.0355-1.0370	0.42-0.37c pm	4.63	1.10-1.00pm	4.10
Canada	1.3600-1.3633	1.3613-1.3633	0.15-0.18c dis	−1.45	0.37-0.41dis	−1.15
Nethlnd.	3.4070-3.4760	3.4250-3.4260	0.52-0.48c pm	1.75	1.64-1.60pm	1.89
Belgium	60.75-61.85	60.85-60.95	6-7c dis	−1.27	15-17dis	−1.06
Denmark	10.81-11.02½	10.83½-10.84¼	1½-2ore dis	−1.94	2¾-3¼dis	−1.11
W. Ger.	3.0100-3.0770	3.0245-3.0255	0.76-0.71pf pm	2.91	2.19-2.14pm	2.86

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	15⅝-13⅝	9⅞-9⅛	9⅝-10⅛	6¾-D⅛	1⅝-1⅞	5⅝-D⅞	10⅝-10⅛	12¾-13¾	0⅝-10⅛	10-10¼	9⅛-6⅞	9⅝-10¼
7 day's notice	13¼-10½	8⅛-8⅛	9½-10	9¾-6⅞	1⅛-1⅞	5½-5⅝	10⅜-10½	13-14	9¾-10¼	10-10¼	6⅛-6⅛	10¼-10⅝
Month	12⅛-13⅛	8⅞-8⅛	9⅛-9⅛	5¾-6⅞	0⅛-5¼	5⅛-5⅛	10½-10⅝	16⅝-14⅛	0¾-10	0¾-10	5⅛-5¼	10¼-10⅝
Three months	12⅛-12⅞	9¾-8⅞	5¾-10	0⅛-5⅛	5⅛-5½	5⅞-6	10⅝-10¾	13⅞-14⅛	9¾-10	9¾-10	6⅛-6⅝	10⅛-10⅝
Six months	10⅛-12⅛	0-0⅛	0⅞-10⅛	9⅛-9½	5⅜-6⅛	5⅞-6⅛	10¾-10⅞	14⅛-14⅝	9¾-10	0⅞-10⅛	0⅝-6⅛	10⅛-10⅝
One year	11⅛-11⅛	0⅝-0⅝	10¼-10½	5⅛-7	0¼-5⅜	5⅛-0¼	11¼-11½	14¾-15¼	10⅛-10⅜	10⅛-10⅜	5⅝-6⅛	10¼-10⅝

Asian $ (closing rates in Singapore): Short-term 8⅞-8⅞ per cent; seven days 8⅞-8⅞ per cent; one month 8¾-8¾ per cent; three months 8¾-8⅞ per cent; six months 9-9⅛ per cent; one year 9⅝-9¾ per cent. Long-term Eurodollars: two years 10⅝-10¾ per cent; three years 11⅛-11⅜ per cent; four years 11⅝-11⅝ per cent; five years 11⅞-11⅞ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Firmer trend

Sterling based instruments rose sharply in the London International Financial Futures Exchange yesterday, spurred on by lower cash rates and sterling's bouyant performance in the foreign exchange market. Gilt prices were marked up at the outset with the June price opening at 107.04 up from 106-31 on Friday. It touched a high of 107-25 but came back on profit taking and sterling's steadier performance during the afternoon.

Three-month sterling deposits were affected in a similar way with the market looking for further reductions in domestic interest rates, given a stronger pound and further declines in cash rates. The June contract opened at 88.30 and touched a best level of 88.57 before finishing at 88.49 up from 88.27.

Eurodollar prices finished unchanged on the day although sentiment pointed towards a firmer trend. The market was clearly uncertain as to the correct attitude to adopt ahead of Thursday's first quarter revised GNP figures. There have been rumours that the final figure may be revised downwards from the flash estimate of 2.1 per cent growth, giving further weight to hopes that the Fed may ease its monetary stance, not only because of declining economic expansion but also to massage the credit market in the face of further liquidity problems experienced by certain parts of the banking sector.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.77	90.83	90.76	90.77
Sept	90.21	90.30	90.21	90.22
Dec	89.72	89.82	89.72	89.74
March	89.33	89.44	89.33	89.35
June	89.03	—	—	89.04

Est volume 4,152 (7,145)
Previous day's open int 16,476 (16,476)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	70-22	70-31	70-20	70-26
Sept	69-22	70-00	69-22	69-26

Estimated volume 1,090 (1,198)
Previous day's open int 3,300 (3,300)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

MONEY MARKETS

Rates fall on stronger pound

Interest rates fell sharply in London yesterday, spurred on by sterling's impressive rise in foreign exchange markets. Sterling's improvement put further downward pressure on rates but also highlighted the authorities' reluctance to see rates fall too far too fast. The day to day position of discount houses was exacerbated by a record shortage of funds, because in the current bearish climate there was a marked reluctance by institutions to issue longer dated bills, when the cost of finance was significantly lower through the interbank market.

The position was further clouded by the Bank of England's reluctance to divulge the total of the day's assistance given to the discount houses. The latter stressed that there were apparently no sinister overtones in this but at a time of volatility the lack of communication was hardly comforting.

Three-month interbank money finished at 12¾ per cent compared with 12⅞ per cent while three-month eligible bank bills were bid at 12⅛ per cent from 12⅞ per cent. Overnight interbank money opened at 13½-14 per cent and traded between a high of 20 per cent and a low of 10 per cent before finishing at 15 per cent.

The Bank forecast a shortage of around £1,650m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £1,020m and Exchequer transactions a further £975m. These were partly offset by a fall in the note circulation of £330m and banks' balances brought forward £5m above target.

To help meet the shortage the Bank gave early help of 65m through outright purchases of eligible bank bills in band 2 at 12¾ per cent and repurchase agreements on £15m of bills at 12¾ per cent, unwinding on May 13.

The forecast was revised to £1,750m and the Bank gave further help of £42m through outright purchases of £38m in bands 1 and 2 and sale and repurchase agreements on £4m of bills at the same arrangement. Further help in the afternoon came to £693m after an revision in the forecast £1800m. Additional help came to 927m, £427m through outright sale and repurchase agreements and £500m of late help.

UK clearing banks base lending rate 12¾-13 per cent since April 12

LONDON MONEY RATES

MONEY RATES

April 15	Frankfurt
Overnight	0.00-6.50
One month	9.70-D.95
Two months	0.00-6.00
Three months	5.05-6.10
Six months	0.05-6.25
Lombard	6.0
Intervention	—

FT LONDON INTERBANK FIXING

(11.00 a.m. April 15)

Three months U.S. dollars	
bid 8 11/16	offer 8 13/16

Six months U.S. dollars	
bid 0	offer 9 1/6

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	9½
Fed funds	8½
Fed funds at intervention	8⅞

Treasury Bills

One-month	7.80
Two-month	7.90
Three-month	8.04
Six-month	8.25
One-year	8.44

Treasury Bonds

Two-year	101⅝
Three-year	99⅝
Four-year	101 15/32
Five-year	101 5/32
Seven-year	102 1/32
10-year	99 9/32
30-year	99 4/32

£ WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on April 15, 1985. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (o) official rate; (sg) selling rate; (c) controlled rate; (u) unified rate.

COUNTRY	CURRENCY	VALUE OF £ STERLING
Afghanistan	Afghani	99.00
Albania	Lek	10.7110
Algeria	Dinar	(A) 6.55
Andorra	French Franc	11.78
	Spanish Peseta	213.0
Angola	Kwanza	(CM) 36.8640
Antigua	E. Caribbean $	3.46†
Argentina	New Peso	494.35
Australia	Australian $	1.0106
Austria	Schilling	21.10
Greenland	Danish Kroner	13.80
Grenada	E. Caribbean $	3.46†
Guadaloupe	Local Franc	11.78
Guam	U.S. $	1.2750
Guatemala	Quetzal	1.2750
Guinea	Syli	32.10
Guinea-Bissau	Peso	188.07
Guyana	Guyanese $	0.0710
Haiti	Gourde	0.40
Honduras	Lempira	0.57
Peru	Sol	exc(A) 1.1050
Philippines	Philippine Peso	21.90
Pitcairn Islands	£ Sterling	—
	New Zealand $	0.57850
Poland	Zloty	170.47
Portugal	Portuguese Escudo	221.50
Puerto Rico	U.S. $	1.5100
Qatar	Qatari Ryal	4.3070

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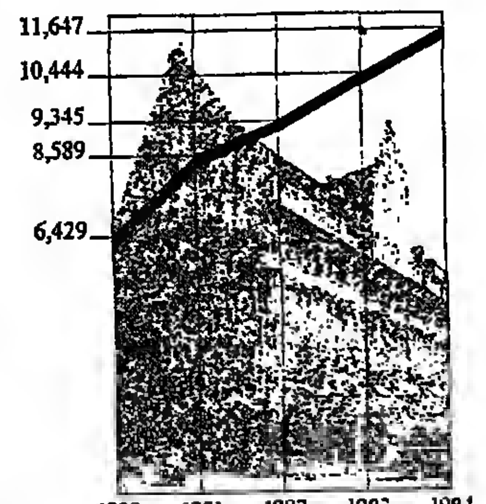
April 1985

Despite our 230-year tradition, Bank Leu's future is not rooted in the past – 1984: total assets increased by 11.5%, customer deposits by 10.6%, net profit by 12.4% and dividends to 18%.

GGK



Total assets in billion Swiss francs

Bank Leu

Bank Leu Ltd, the oldest Swiss bank, founded in 1755.
Head office: 32 Bahnhofstrasse, P.O. Box, CH-8022 Zurich, telephone (1) 219 11 11, telex 812 174, cable bankleu zurich.
New York branch: 375 Park Avenue, Suite 310, New York, N.Y. 10152, telephone (212) 418-0300, telex WUI 666924.
Affiliated banks in Geneva, Basel and Nassau/Bahamas. Representative office in Amman/Jordan.

INTERNATIONAL CAPITAL MARKETS

Debut for Pacific Bell with $100m Eurobond

By Maggie Urry in London

PACIFIC BELL yesterday became the first of the U.S. telephone companies created by the break up of American Telephone and Telegraph (AT&T) to come to the Eurobond market. The name should entice investors, although the terms of the $100m issue were regarded as tight.

At an 11⅛ per cent coupon and par issue price for a seven-year life, the cost to the borrower is around 35 basis points higher than the yield on U.S. Treasury bonds. The issue led by Credit Suisse First Boston was, however, less aggressively priced than some recent deals and traded just outside the 1⅞ per cent gross fees.

Industrial Bank of Japan – one of the top rated banks in the world – launched the only other dollar deal of the day, a $100m 10-year issue paying an 11½ per cent coupon with a 100¼ issue price. The issue, likely to sell well in the Far East, was trading well within its 2 per cent total fees. The deal was led by IBJ International.

Trading was quiet yesterday with Eurodollar straight bond prices little changed. The euphoria seen late last week seems to have fizzled out, although the undertone remains good. Traders are awaiting the U.S. economic statistics due this week, particularly the GNP figure, in hopes of a lead. Floating rate issues weakened yesterday. The flattening of the yield curve has hit the "mismatch" floaters, which take advantage of a steep yield curve.

Syndicate specialists were kept busy yesterday bidding for a floater issue for Belgium and likely to raise $500m.

In the D-Mark bond market the Westdeutsche Landesbank launched a DM 150m 10-year issue for the Mortgage Bank of Denmark. The coupon was set at 7¼ per cent and issue price at par – terms thought fine by dealers. Some traders quoted the issue outside the 1½ per cent selling concession.

The market for seasoned D-Mark issues was little changed, with no real lead provided by the New York market or the exchange rate.

The Swiss franc foreign bond market was also quiet with Zurich closed for the end-of-winter holiday in the afternoon. UBS set the final terms for TransCanada Pipelines' SwFr 150m 10-year deal with a 5¾ per cent coupon and a 99¾ issue price. The pricing was thought to be acceptable thanks to the recent improvement in the market.

The World Bank made its second bond issue in Luxembourg francs, a LuxFr 1bn issue with a coupon of 9¾ per cent, thought to be the lowest in the sector for five years. The bond has a five-year life and is led by Banque Générale du Luxembourg.

BHF Bank bond average		
April 15		Previous
101.637		101.538
High	1985	Low
102.860		99.840

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 15.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 12⅝ 90	150	103⅛	103⅝	0	+1¾	11.34
Austria Rep 13⅝ 92	100	107⅛	107⅝	0	+1	12.01
Bank Of Tokyo 12⅝ 92	100	101⅜	101⅞	+0⅛	+1¼	12.23
Bank of Tokyo 13⅝ 91	100	106⅞	107⅜	+0⅛	+1⅜	11.91
BP Capital 11⅛ 92	150	97¼	97¾	−0⅜	+1½	11.66
Caisse Nat Tele 13¾ 91	100	107¼	107¾	−0¼	+1⅝	11.94
Canada 11½ 90	500	101¼	101¾	+0⅛	+1⅛	11.06
Canadian Pac 12½ 89	75	102¾	103¼	−0¼	+0⅝	12.03
CBS Inc 11⅜ 92	100	97¾	98¼	−0¼	+1	11.76
Chevron U.S.A. 12¼ 89	600	102⅛	102¾	+0⅛	+1⅞	11.46
Coca Cola 11¾ 91	100	102	102½	0	+1½	11.21
Creditanstalt 13⅛ 91	100	103¾	104¼	+0¼	+2	12.14
Denmark Kindom 11½ 92	100	97⅝	98⅛	+0⅞	+1⅞	11.99
Denmark Kingdom 13 91	100	104¼	104¾	+0¼	+2⅛	11.95
Denmark Kingdom 13¼ 91	100	104¾	105¼	+0¼	+1⅞	12.05
Denmark 13⅞ 88 XW	100	106¼	106¾	+0¼	+1⅞	11.28
Denmark Kingdom 14 91	100	107⅛	107⅝	0	+1¼	12.21
E.E.C 11⅛ 90	100	98	98½	0	+0⅝	11.09
E.I.B. 13 95	200	104⅛	104⅝	0	+1⅞	12.24
Ex-Im Bk Japan 13¼ 91	75	107⅝	108⅛	+0⅛	+1½	11.36
Export Dev Corp 12 88	100	102⅜	102⅞	+0⅛	+1½	11.10
Exxon Capital Corp 0 2004	1800	11⅞	12⅜	0	+0⅞	11.37
Ford Motor Cred 11⅝ 95	100	95	95½	0	+0⅞	12.48
IBM Credit 10⅝ 2000	300	†97⅛	97⅝	+0⅛	+1½	10.82
IBM Credit Corp 11¾ 87	200	102¾	103¼	−0⅛	+0⅞	10.24
Indust Bk Japan 12⅞ 89	100	104¼	104¾	+0¼	+1¼	11.48
Indust Bk Japan 15⅛ 91	125	104	104½	0	+0⅞	11.98
Int-Am Dev Bk 12¾ 91	150	103⅜	103⅞	+0⅜	+1⅞	11.46
Japan Air Lines 13⅜ 94	100	110½	111	0	+1⅜	11.41
Kellogg Company 10⅞ 96	100	98⅝	99⅛	0	+1⅛	11.10
Kellogg Company 11¼ 92	100	101	101½	−0⅛	+1⅛	10.96
L.T.C.B. 12⅞ 91	100	103⅝	104⅛	0	+1⅜	11.95
Macy Cred Corp 11¾ 95	100	98½	99	+0⅛	+2	11.96
Mellon Bank 13 87	100	104	104½	−0⅛	+1⅛	10.90
Merrill Lynch 12¾ 89	100	103	103½	+0⅛	+1⅞	11.72
Minnesota 11½ 87	100	101	101½	−0¼	+0¾	10.83
Mitsubishi Corp 13¼ 89	100	107⅜	107⅞	+0⅛	+1¼	10.90
Montagu 13¼ 91	100	†104¾	105¼	+0¼	+1⅜	12.04
Morgan Guaranty 12⅜ 89	150	102⅞	103⅜	+0⅛	+1½	11.40
Nippon Cred Bk 13⅞ 89	100	106⅝	106⅞	−0⅞	+1¼	11.76
Nth America 12⅞ 91	100	104	104⅛	−0⅛	+1⅜	11.46
Penney J.C. 12¾ 91	100	103⅞	104⅜	−0¼	+1⅛	11.76
Pru Realty secs 12⅛ 95	546	101⅞	102⅜	+0¼	+1⅝	11.73
Quebec Hydro 11½ 92	100	†97⅛	98	0	+0¾	11.93
Ralston Purina 12¾ 89	100	103⅞	104⅜	−0⅛	+1¼	11.48
Royal Bk Can 12¾ 92 XW	100	†101	101½	−0⅛	+0⅞	12.44
Saskatchewan 10 3/4 92	100	95⅜	95⅞	+0⅜	+1⅝	11.70
Saskatchewan 11 7/8 89	100	102¼	102¾	+0⅜	+1½	11.11
S.N.C.F. 12⅜ 92 XW	100	101	101½	−0⅛	+1¼	12.08
Statoil 13½ 89	100	107⅜	107⅞	−0⅛	+1⅞	11.12
Swed Exp Cred 12⅝ 89XW	100	103½	104	+0¼	+1⅝	11.57
Sweden Kingdom 11½ 89	200	102½	103	0	+1⅜	11.25
Sweden Kingdom 11¾ 94	100	99⅜	99⅞	−0½	+1½	11.79
Texaco Capital 12⅞ 87	300	†103¼	103¾	0	+0⅞	11.04
Texaco Capital 13½ 89	200	105¾	105¼	+0½	+2⅛	11.46
Toronto Dom Bk 12½ 89	100	†101½	102	−0¼	+1½	11.75
Walt Disney Pro 12½ 87	150	102½	104	+0⅛	+1½	10.62
Weyerhaeuser 12¼ 87	150	101⅞	102⅜	0	+0⅝	11.15
World Bank 12¼ 94	150	102⅝	103⅛	0	+1⅜	11.71
World Bank 12⅞ 94	200	105⅝	106⅛	+0⅛	+1¾	11.75

Average price change On day 0 on week +1⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	101⅛	101⅞	+0⅜	+0⅛	7.75
Austria Republic 7⅝ 94	200	100¼	101	+0⅛	+0⅜	7.52
Baxter Travenol 7⅛ 94	200	98⅝	99⅛	−0⅛	0	7.44
Credit National 8⅛ 94	200	102½	103¼	+0⅛	+0⅜	7.65
Degussa Int Fin 7½ 94	100	100¼	101	−0⅛	−0⅜	7.55
E.E.C. 8 92	200	101⅞	102⅝	+0¼	+0¾	7.55
Escom 8 92	150	101¼	102	−0⅜	0	7.69
Ferrovie Dello Stato 8 91	100	102⅞	103⅜	+0½	+1⅛	7.31
Finland Republic 7 92	200	97⅝	98⅛	+0⅛	+0¾	7.48
Gould Int Fin 7⅝ 91	100	100⅞	101⅜	0	−0¼	7.38
[illegible]						

SWISS FRANC STRAIGHTS [illegible]

YEN STRAIGHTS [illegible]

OTHER STRAIGHTS [illegible]

FLOATING RATE NOTES [illegible]

CONVERTIBLE BONDS [illegible]

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COMPANY ANNOUNCEMENT

DURBAN ROODEPOORT DEEP, LIMITED

(Incorporated in the Republic of South Africa)

Possible Acuisition of Mining Title and Certain Mining Assets from Rand Leases (Vogelstruisfontein) Gold Mining Company, Limited

Tha attention of shareholders is drawn to the following announcement made today by Rand Leases (Vogelstruisfontein) Gold Mining Company, Limited in Johannesburg:

"The Directors of Rand Leases (Vogelstruisfontein) Gold Mining Company Limited ('Rand Leases') announce that negotiations are taking place relating to the possible disposal by Rand Leases of its entire mining title and certain mining assets to Durban Roodepoort Deep, Limited ('DRD'). Any disposal by Rand Leases of the assets in question would be subject, inter alia, to approval by the Rand Leases' shareholders in general meeting.

In the event of a formal agreement between Rand Leases and DRD being concluded, the proposed consideration for the disposal would be of the order of 37.5 cents per Rand Leases' share.

A further announcement will be made in due course and, until such time, shareholders should exercise caution in dealing in Rand Leases' shares."

United Kingdom Secretaries: 16th April, 1985
Charter Consolidated P.L.C.
40 Holborn Viaduct
LONDON EC1P 1AJ

NOTICE OF PREPAYMENT

The Bank of Tokyo, Ltd.
(Incorporated with limited liability in Japan)

U.S. $50,000,000 Callable Negotiable Floating Rate Dollar Certificates of Deposit due 5th June, 1986
(Series RN)

In accordance with the provisions of the Certificates, notice is hereby given that Tha Bank of Tokyo, Ltd. ("The Bank") will prepay the principal amount on the next Interest Payment Date, 5th June, 1985, together with the interest accrued to that date.

Payment will be made against presentation and surrender of the Certificates at the Bank's London Office at 20/24 Moorgate, London EC2R 6DH.

16th April, 1985.

The Kingdom of Denmark

U.S. $500,000,000
Floating Rate Notes Due October 1990

For the six months
5th April, 1985 to 15th October, 1985
the Notes will carry an interest rate of 9⅞%
per annum with a Coupon Amount of U.S. $489.27 per U.S. $10,000 Note and U.S. $12,231.77 per U.S. $250,000 Note, payable on 15th October, 1985.

Listed on the Luxembourg Stock Exchange
By: Bankers Trust Company
Fiscal Agent